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Eagle and Swastika:
CIA and Nazi War Criminals and Collaborators (U)

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DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

History Staff
Central Intelligence Agency
Washington, DC
April 2003

CL BY:	**2196985**
CL REASON:	**1.5 (b), (c), (d)**
DECLAS ON:	**XI**
DRV FROM:	**MULTIPLE**

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Introduction (U)

Eagle and Swastika: CIA and Nazi War Criminals and Collaborators examines the Central Intelligence Agency's involvement with Nazis and their collaborators after World War II. It details the Agency's assistance to various US Government investigations, primarily by the Justice Department's Office of Special Investigation (OSI) and by the General Accounting Office (GAO), of dealings with Nazis from the 1970s to the present day. The study recounts the Agency's long involvement with Nazis – first as an enemy in World War II, then as a quasi-ally in the Cold War, and finally as the subjects of criminal investigations and prosecutions by Federal officials.[1] (U)

As a secret, intelligence agency in an open democratic society, historians, journalists, and politicians have long suspected the Central Intelligence Agency of maintaining clandestine relations with Nazis and non-Germans who aided the Third

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[1]The Charter and Judgment of the Nuremberg Tribunal, adopted by the United Nations in 1950 as General Assembly Resolution 95, defined crimes under international law as crimes against peace, war crimes, and crimes against humanity. The Nuremberg International Military Tribunal also charged German defendants with conspiracy. Those who served in the *Schutzstaffeln*, or SS, were accused of membership in a criminal organization. The Allied authorities also offered specific charges in subsequent trials of German war criminals after 1945. The generic term "war crimes" encompasses a variety of crimes committed by the Axis Powers and their collaborators as recognized at Nuremberg. The term is commonly used to denote support rendered to Nazi Germany by individuals even if these same individuals did not directly commit murder or other violent crimes. It should also be noted that many individuals charged with war crimes in World War II were not members of the Nazi party or even German citizens. Alan S. Rosenbaum, *Prosecuting Nazi War Criminals* (Boulder: Westview Press, 1993), pp. 22-23. See also Appendices, Norman E. Tutorow, ed., *War Crimes, War Criminals, and War Crimes Trials: An Annotated Bibliography and Source Book* (Westport: Greenwood Press, 1986), pp. 453-477. (U)

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Reich.[2] The story of escaped Nazis after the collapse of the Third Reich in 1945 has long gripped novelists and Hollywood screenwriters, as seen by such bestsellers and subsequent box office hits as *The Salzburg Connection*, *The Boys from Brazil*, *Marathon Man*, and *The ODESSA File*.[3] Since the 1970s, the topic has also proven steady fare for historians and journalists.[4] (U)

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[2]For an overall discussion, see Kevin C. Ruffner, "A Persistent Emotional Issue: CIA's Support to the Nazi War Criminal Investigations," *Studies in Intelligence* (Unclassified ed. 1997), pp. 103-109. (U)

[3]One guide to American spy movies notes, "Hollywood, in its unique, uncanny way, was quick to turn out dramas about unrepentant Nazis planning for the next onslaught as early as 1944. During the next few decades dozens of plots centered around schemes by former Nazis to steal gold and jewels, restore their former glory and spread fear and hatred among the peoples of the world. A few were earnest attempts to expose the flight of war criminals, some were simple entertainments and others were undisguised propaganda films." See Larry Langman and David Ebner, *Encyclopedia of American Spy Films* (New York: Garland Publishing, 1990), pp. 258-260. (U)

[4]Public interest in Nazi war criminals can be seen in the number of publications since the mid-1970s, including Charles R. Allen, *Nazi War Criminals in America: Facts– Action: The Basic Handbook* (New York: Highgate House, 1985); Mark Aarons and John Loftus, *Unholy Trinity: How the Vatican's Nazi Networks Betrayed Western Intelligence to the Soviets* (New York: St. Martin's Press, 1991); Charles Ashman and Robert J. Wagman, *Nazi Hunters: The Shocking True Story of the Continuing Search for Nazi War Criminals* (New York: Pharos Books, 1988); Howard Blum, *Wanted!: The Search for Nazis in America* (New York: Quadrangle/The New York Times Book Company, 1977); Tom Bower, *The Paperclip Conspiracy: The Hunt for Nazi Scientists* (Boston: Little, Brown and Company, 1987); William B. Breuer, *Race to the Moon: America's Duel with the Soviets* (Westport: Praeger Publishers, 1993); Linda Hunt, *Secret Agenda: The United States Government, Nazi Scientists, and Project Paperclip, 1945-1990* (New York: St. Martin's Press, 1991); Beate Klarsfeld, *Wherever They May Be!* (New York: Vanguard Press, 1975); John Loftus, *The Belarus Secret* , ed. Nathan Miller (New York: Paragon House, 1989, rev. ed. 1982); Allan A. Ryan, Jr., *Quiet Neighbors: Prosecuting Nazi War Criminals in America* (San Diego: Harcourt Brace Jovanovich, 1984); Rochelle G. Saidel, *The Outraged Conscience: Seekers of Justice for Nazi War Criminals in America* (Albany: State University of New York Press, 1984); Christopher Simpson, *Blowback: America's Recruitment of Nazis and Its Effects on the Cold War* (New York: Weidenfeld and Nicholson, 1988); and Efraim Zuroff, *Occupation: Nazi Hunter; The Continuing Saga for the Perpetrators of the Holocaust* (Hoboken: KTAV Publishing House, 1994). (U)

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During the first three decades after the war, however, the Soviet threat and the possibility of a cold war turning into world Armageddon muted public scrutiny. The presence of former Nazis and their collaborators in the United States generated little interest from the American public, and even less from the Federal government. In this environment, the Central Intelligence Agency simply avoided any discussion of its roles as having used America's former enemies as intelligence sources and operational assets. (U)

Criticism by various observers takes a broad approach. In particular, the Agency comes under attack for the following activities:

1. CIA, and its predecessor organizations, including the Office of Strategic Services (OSS 1942-45), the Strategic Services Unit (SSU 1945-46), and the Central Intelligence Group (CIG 1946-47), employed German intelligence personnel as sources of information.

2. CIA sponsored the new West German intelligence service, an organization under the control of officers of the defeated German general staff. The ranks of the Gehlen Organization sheltered many officers of the German SS and SD whose loyalty to the new West German government remained in doubt.

3. CIA, and its predecessor organizations, employed former collaborators of the Third Reich, primarily from Eastern and Southern Europe, initially as sources of information and later as the operational assets for activities behind the Iron Curtain.

4. CIA, including the Office of Policy Coordination (OPC 1948-1952), brought German and Eastern European individuals to the United States to provide detailed information on the Soviet Union.

5. CIA, including OPC, formed "secret armies" from various emigre groups in Europe and trained them in the United States. The ranks of these groups included numerous former collaborators of Nazi Germany and some of these people remained active in other CIA projects.

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6. CIA evacuated Nazi war criminals through "rat lines" in Southern Europe, allowing these people to escape justice by relocating them *incognito* in South America.

7. CIA abused its legal authority to bring Soviet and Soviet Bloc defectors and other persons of interest to the United States.

8. CIA covered up these activities from Congressional and other Federal government investigators. (U)

The Agency's involvement with Nazis and their collaborators as well as the impact that these relationships had on both American foreign and domestic policies is the subject of numerous books and articles over the years. In his 1988 book, *Blowback: America's Recruitment of Nazis and Its Effects on the Cold War*, Christopher Simpson asserts that:

> US intelligence agencies did know - or had good reason to suspect–that many contract agents that they hired during the cold war had committed crimes against humanity on behalf of the Nazis. The CIA, the State Department, and US Army intelligence each created special programs for the specific purpose of bringing selected former Nazis and collaborators to the United States. Other projects protected such people by placing them on US payroll overseas.[5] (U)

Simpson believes that the US Government's willingness to work with some of the Third Reich's worst elements "did contribute to the influence of some of the most reactionary trends in American political life."[6] (U)

Allan A. Ryan, Jr., a former director of Office of Special Investigations (OSI), is skeptical about claims that American intelligence deliberately brought Nazi war criminals to the United States. While he acknowledges that the government assisted in the

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[5] Simpson, *Blowback*, p. xiv. (U)
[6] Ibid, p. 10. (U)

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immigration of a "small roomful of people at the very most," Ryan is convinced that loose enforcement of US laws, such as the Displaced Persons Act of 1950, the Immigration and Nationality Act of 1952, and the Refugee Relief Act of 1953 permitted far greater numbers of Nazi war criminals and collaborators to enter the United States through legal means than any covert US intelligence project.[7] (U)

Ryan also criticized much of the literature dealing with US Government collusion with Nazis. "From time to time in the past few years, books or other accounts have appeared claiming to expose some newly-discovered conspiracy by CIA, or the military, or a cabal of lawless bureaucrats, to bring Nazi collaborators to the United States after the war." "These accounts," according to Ryan, "have offered dubious evidence and have been unable to survive any objective analysis." In his role as director of the Office of Special Investigations, Ryan wrote, "no Federal agency, including the CIA, ever objected to any prosecution or tried to call off any investigation."[8] (U)

Since the 1970s, the Central Intelligence Agency, in fact, has been one of the leading government agencies involved in the investigation of Nazi war criminals.[9] The Office of General Counsel (OGC), the Directorate of Operations (DO), the Office of Security (OS), and other components of CIA have worked closely with the Office of

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[7]Ryan, *Quiet Neighbors,* pp. 4-5, and 328-329. (U)

[8]Ibid, pp. 4 and 267. (U)

[9]The US Congress enacted Public Law 95-549 in 1978, which allows the government "to exclude from admission into the United States aliens who have persecuted any person on the basis of race, religion, national origin, or political opinion, and to facilitate the deportation of such aliens who have been admitted into the United States." This law also established the Office of Special Investigations in the Department of Justice to investigate Nazi war criminals in America. US Congress, House, *PL 95-549 Immigration and Naturalization Act - Nazi Germany,*

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Special Investigations to identify and bring Nazi war criminals and collaborators to justice for concealment of criminal activity during 1933-45. Prior to the establishment of OSI, CIA worked with the Special Litigation Unit (SLU) of the Immigration and Naturalization Service (INS) for a brief period in the 1970s. In addition, Congress ordered the General Accounting Office (GAO) to conduct two separate investigations, during 1977-78 and again during 1982-85, to determine the relationship between the US Government and Nazi war criminals. The House of Representatives held public hearings to discuss GAO's findings after both investigations.[10] (U)

According to the General Accounting Office, the Central Intelligence Agency did not have a formal or even an informal program to bring Nazi war criminals or collaborators into the United States.[11] The Agency did bring defectors from Iron Curtain countries and provided "disposal" services for American agents from Europe. In some cases, these defectors or agents also had Nazi pasts, but this did not constitute a basis for US support or assistance. In its 1985 report, *Nazis and Axis Collaborators Were Used to*

95th Cong., 2nd sess., 1978, *United States Code*, Vol. 4: Legislative History (St. Paul: West Publishing Company, 1979), pp. 4700-4716. (U)

[10]US Congress, House, Committee on the Judiciary, *Hearings Before the Subcommittee on Immigration, Citizenship, and International Law on Alleged Nazi War Criminals*, 95th Cong., 1st and 2nd sess., 3 August 1977 and 19-21 July 1978. See also Committee on the Judiciary, *Oversight Hearing Before the Subcommittee on Immigration, Refugees, and International Law on GAO Report on Nazi War Criminals in the United States*, 99th Cong., 1st sess., 17 October 1985. (U)

[11]United States General Accounting Office, Comptroller General of the United States, *Widespread Conspiracy to Obstruct Probes of Alleged Nazi War Criminals Not Supported by Available Evidence–Controversy May Continue*, GGD-78-73 (Washington, DC: General Accounting Office, 1978) and *Nazis and Axis Collaborators Were Used to Further US Anticommunist Objectives in Europe–Some Immigrated to the United States*, GAO/GGD-85-66

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Further US Anticommunist Objectives in Europe–Some Immigrated to the United States, the GAO found no evidence of "any US agency program to aid Nazis or Axis collaborators to immigrate to the United States."[12] (U)

Eagle and Swastika amplifies the findings of the 1985 GAO Report by detailing the Agency's role in the years after Nazi Germany's collapse. The CIA expressed reluctance to work with some individuals or organizations, as seen with the Ukrainian nationalists and the Gehlen Organization. As tensions mounted between East and West, the Agency retreated from this stand because of the pressing need for intelligence on the intentions and capabilities of the Soviet Union. The first half of this study examines many of the CIA's earliest operations in Europe when the Agency decided to work with individuals and groups with Nazi backgrounds. The second half of the study shifts to the period of the 1970s to the present day and looks at the Agency's role in the investigations, including such notable cases as Klaus Barbie and Kurt Waldheim. (U)

The records of the Central Intelligence Agency and its predecessor agencies, including OSS, SSU, and CIG, form the basis for this study. These sources are scattered throughout the Agency and are not easily identifiable or retrievable. Significant material can be found in various individual "201 files" or project files maintained by the Directorate of Operations as well as in individual files of the Office of Security.[13]

(Washington, DC: General Accounting Office, 1985) (hereafter cited as 1978 GAO Report or 1985 GAO Report). (U)

[12]1985 GAO Report. (U)

[13]The 201 system provides the Agency with a method for identifying a person of specific interest to the Directorate of Operations (DO) and for controlling and filing all pertinent information

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Operational files of the DO and correspondence maintained in the Executive Registry of the DCI's office also provide extensive information. Records of the actual Nazi war criminal investigations after the 1970s, including outside agency inquiries and CIA responses, are maintained by the Office of General Counsel as well as by the DO. (U)

Numerous files exist in other US government agencies, including the Federal Bureau of Investigation (FBI), the Immigration and Naturalization Service (INS), the US Army's Investigative Records Repository (IRR), and the National Archives and Records Administration (NARA). Among the most important documents are those located in Record Group 226, the Records of the Office of Strategic Services, which have been declassified and transferred to the National Archives. In addition to the thousands of feet of records already declassified by CIA, the Agency has released hundreds of thousands of pages of World War II-era records under the auspices of the Nazi War Crimes Disclosure Act in 2000. This act has also brought forth a deluge of personal dossiers from the Army's Investigative Records Repository at Fort Meade, Maryland. Probably no country in the world, and certainly no intelligence service, has released to the public as much

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about that person in a single file. It consists of a unique seven digit 201 file number assigned to that individual and may be opened by a DO component when there is a reasonable expectation that additional information will be acquired or retained on that individual. Normally, a 201 file will be opened when a Main Index search reveals substantive information on that individual in five or more documents. The Headquarters 201 file is the official file containing all biographic reporting on and references to the individual such as personal history, assessments, and plans for future use. DO Instruction [redacted], copy located in CIA History Staff files. The Office of Security, likewise, maintains its own, separate file system on individuals of interest to the CIA. (S)

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information about intelligence activities during the Second World War as the United States.[14] (U)

The amount of material released in the last two decades, as well as material that is still retained by CIA, is overwhelming. It is often possible to find the same document (or a copy) as classified in Agency files but as declassified at the National Archives. While this study is written at the classified level, a great deal of the source material and the information itself is already available at the National Archives. This is especially true following CIA's declassification of the greater portion of the "withdrawn" OSS material in 2000.[15] (U)

Since 1998, the Nazi War Crimes Disclosure Act requires the CIA to search its holdings for still-classified material pertaining to Nazi war criminals and war crimes; the ensuing searches located an extensive amount of material that was otherwise previously unavailable to the author. Although the author attempted to mine this new vein of information, a lack of time and resources to plow through the sheer number of files generated by the name traces of over 60,000 known war criminals and SS officers proved to be limiting factors. (U)

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[14]For further details, see Kevin C. Ruffner, "Record Group 226 at the National Archives," *Center for the Study of Intelligence Newsletter* (Summer 1996), pp. 3-4; Kevin C. Ruffner, "OSS and CIA Records at the National Archives," *Center for the Study of Intelligence Newsletter* (Winter-Spring 1997), pp. 3-4; Kevin C. Ruffner, "CIA and the Search for Nazi War Criminals," *Center for the Study of Intelligence Bulletin* (Winter 2000), pp. 10-11; and Kevin C. Ruffner, "CIC Records: A Valuable Tool for Researchers," *Center for the Study of Intelligence Bulletin* (Summer 2000), pp. 11-16. (U)

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It should be noted for the record that the author did not enjoy full and unfettered access to all DO and OS records, finding aids, manual indexes, or computer search tools. Access to records and, even more importantly, the ways to find information are highly restricted within CIA and even more so within the Directorate of Operations and the Office of Security – for operational, security, and privacy reasons. While the various components permitted me to review numerous records and 201 files, the author did not enjoy *carte blanche* access to all files. This does not mean that the author did not receive significant help to order and review those records that he determined to be of possible relevance. Quite the contrary, the author received bountiful help over the years from the unsung heroes of the Agency - the recordkeepers who toil in the bowels of Headquarters and at the warehouse-like Agency Archives and Records Center. Without their help, no Agency histories could be written. (U)

After shifting through hundreds of records boxes and personality files, the author is convinced that it is impossible to write the definitive history of such a complex issue as the relationships that existed between American intelligence and the Nazis during and after the war. The topic is too broad, the issues are complex and changed over time, and the timeframe itself encompasses the entire lifespan of the CIA and its predecessors. The records are scattered, and many were destroyed or otherwise are not readily available. The identification of every single Nazi war criminal or collaborator who came into

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[15]The "withdrawn" records now at the National Archives consist of material that had been removed for security reasons from earlier batches of records declassified and transferred to NARA. In 2001, the Agency declassified this major collection of OSS material. (U)

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contact with CIA is well nigh impossible. Thus, it is quite likely that investigators, historians, and journalists will continue to claim to have uncovered Nazis with connections to the CIA. (U)

Eagle and Swastika highlights the general operational activities of the Agency and its predecessors and recounts specific projects involving those with Nazi backgrounds from 1945 to the present day. The study should be regarded as a critical guide to future research into this emotional and complicated subject. (U)

The strengths and weaknesses of this study rest primarily within the CIA's own records management system. As an item of interest, Agency records generally do not contain information that constitutes a basis for judging the guilt or innocence of war criminals. The Office of Special Investigations, however, utilizes the Agency's records as a tool in its examination of existing historical documentation. These documents, in turn, may have some impact on the overall course of the investigation and prosecution. (U)

Interviews with retired Agency officers have provided some personal anecdotes and information about the early days of American intelligence operations in Western Europe after World War II. Both the GAO and OSI also conducted extensive interviews during the course of their investigations. The interviews employed for this study have not been as far ranging, but have enabled the author to gain a better understanding of the Agency's operations in Austria and Germany in the first decade after World War II. This time period, as will be seen, is crucial because the Agency became more involved with Nazi war criminals and collaborators. (U)

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The lesson of the Nazi war criminals is perhaps best applied to present intelligence operations. Sixty years after World War II, many Americans are concerned that actions taken by the US Government during the Cold War to combat the Soviet threat actually threatened our national liberties and democratic nature. Allen Dulles, the Director of Central Intelligence during 1953-61 and a former OSS station chief, displayed a cavalier attitude about Reinhard Gehlen, West Germany's then future intelligence chief. "I don't know if he is a rascal," Dulles said about the former head of the Wehrmacht's *Fremde Heere Ost* (FHO), the Foreign Armies East branch of military intelligence, that dealt with the Soviet Union. "There are few archbishops in espionage. He's on our side and that's all that matters. Besides," Dulles added, "one needn't ask him to one's club."[16] (U)

Dulles's alleged response to concerns about the background and trustworthiness of such an important figure as Gehlen exemplifies the attitude that the Agency adopted with regard to the past Nazi activities and affiliations of its intelligence operatives during the Cold War. Since the 1970s, this Cold War attitude has created considerable problems, only to be compounded by other scandals that have roiled the Agency. With the end of the Cold War, the Agency is hardpressed to defend or even explain some of its actions during that trying period. The CIA still faces controversies over the backgrounds of its agents, as witnessed in the recruitment of sources in Central and Latin America as

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[16]Leonard Mosley, *Dulles: A Biography of Eleanor, Allen, and John Foster Dulles and Their Family Network* (New York: The Dial Press/James Wade, 1978), p. 275. (U)

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late as the 1990s. Distrustful of the Agency, many American politicians have demanded the release of all CIA records dealing with Nazis and their collaborators. (U)

The Nazi war criminal investigations are now the longest-running examination in the CIA's history. Decades after the end of World War II, controversies about the Agency's role linger. Most, but not all, of the records of the Office of Strategic Services and the Strategic Services Unit have been declassified and released to the National Archives. The US Government, however, retains control of countless other records from the early Cold War period. Until all of this information is available to the public, the Agency will continue to defend its past in the face of suspicion, intrigue, and guesswork. (U)

In researching and writing this study, the author would like to acknowledge the support and patience of J. Kenneth McDonald, [redacted], chief historians of the Central Intelligence Agency from 1991 to 2002. As pressure mounted for the Agency to reveal its relations with Nazi war criminals, Ken McDonald assigned me to write a history of the period in 1992. As a newly minted Ph.D. and CIA historian who had joined at the end of the Cold War, the Nazi war criminal project has proven both fascinating and frustrating. Little did I know that I would still be hard at work on the topic over ten years later. (U)

During this journey, many individuals have assisted me. Over the years, my colleagues at the History Staff and at the Center for the Study of Intelligence have provided me with many references in the Agency's records and have graciously read the

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manuscript at various stages. Lawrence H. McDonald and William Cunliffe, archivists and intelligence specialists at the National Archives, are the unsung heroes to researchers of all backgrounds. Both men took me into the stacks at the National Archives to search for every lead in the massive collection of records at College Park. The interest in my work and cooperation shown by Eli Rosenbaum, director of the Office of Special Investigations, and Elizabeth B. White, chief historian, also have been most gratifying. (U)

While many inside and outside the Agency have helped me in one form or another, I alone am responsible for the study's content and interpretations. (U)

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Chapter One

The Conclusion Must Be Left to History (U)

From its formation in 1942, the Office of Strategic Services grew almost overnight into a leading American intelligence service in the war against the Axis Powers. By 1945, the OSS had some 12,000 men and women, both civilian and military personnel, scattered throughout the world, although the bulk of the overseas operations took place in Europe, the Mediterranean, and the Far East.[1] The OSS dedicated a wide array of resources to the German target, including support to resistance forces in occupied Europe; support to domestic resistance efforts against Hitler; propaganda efforts; and collection against Germany's industrial and military capabilities. In the course of its operations from 1942 to 1945, the OSS came into contact with thousands of Germans, dedicated anti-Nazis as well as those who had fought for the Third Reich.[2] The mission of any intelligence service is to penetrate the forces of its adversaries to learn as much as

[1]For a general history of the Office of Strategic Services, see Michael Warner, *The Office of Strategic Services: America's First Intelligence Agency* (Washington, DC: Central Intelligence Agency, 2000). The impact of OSS is discussed in George C. Chalou, ed., *The Secrets War: The Office of Strategic Services in World War II* (Washington, DC: National Archives and Records Administration, 1992). (U)

[2]As examples of the published works on OSS's war against Nazi Germany, see Joseph E. Persico, *Piercing the Reich: The Penetration of Nazi Germany by American Secret Agents during World War II* (New York: Viking Press, 1979); Jurgen Heideking and Christof Mauch, eds., *American Intelligence and the Resistance to Hitler: A Documentary History* (Boulder: Westview Press, 1996); Christof Mauch, *Schattenkrieg Gegen Hitler: Das Dritte Reich im Visier der amerikanischen Geheimdienste 1941 bis 1945* (Stuttgart: Deutsche Verlags-Anstalt, 1999); and Petra Marquandt-Bigman, *Amerikanische Geheimdienstanalysen uber Deutschland 1942-1949* (Munich: R. Oldenbourg Verlag, 1995). (U)

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possible about the enemy's capabilities and intentions. During wartime, few restrictions hinder an intelligence service in the pursuit of its objectives.[3] (U)

Operation SUNRISE (U)

In November 1942, Allen W. Dulles took over the OSS station in Bern, Switzerland, which soon became the eyes and ears for OSS in Europe. From his post in neutral Switzerland, Dulles "used whomever he could to further his intelligence mission even if some of his agents may have been of dubious political persuasion." Consequently, Dulles worked with dozens of Germans and others, some were communist while others were Nazis.[4] (U)

In addition to his work with the German resistance and his recruitment of an agent who penetrated the Nazi Foreign Ministry, Dulles's most notable contribution to the war effort was his involvement in the surrender of German forces in northern Italy prior to the collapse of the Third Reich. Undertaken in secret, the surrender shortened the bloody war in Italy and saved countless lives. Known as Operation SUNRISE, the talks did not remain a secret for long; indeed, they received public attention just weeks after the war ended. Twenty years after the event, Dulles's himself wrote a detailed history of the

[3]As an example, the OSS recruited German and Austrian prisoners of war to serve as agents to cross Nazi lines to collect intelligence and to spread propaganda. See Clayton D. Laurie, The Propaganda Warriors: America's Crusade Against Nazi Germany (Lawrence: University of Kansas Press, 1995). (U)
[4]John H. Waller, *The Unseen War in Europe: Espionage and Conspiracy in the Second World War* (New York: Random House, 1996), p. 359. (U)

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operation, *The Secret Surrender*, based on wartime documentation. Dulles' book forms the general outline of our knowledge about the German surrender in Italy.[5] (U)

In the last year of the war, the German military situation became increasingly desperate. The failure of the 20 July 1944 plot against Hitler and the bloody roundup of coup suspects meant that there was little chance for the German resistance to negotiate an end to the war. As the Soviets and Western Allies drew ever closer to Germany itself, various German officials began to extend peace feelers to the British and Americans. In December 1944, Dulles's agent, Gero von Schulze Gaevernitz, told Dulles that Alexander von Neurath, the German consul in Lugano, was in close contact with senior German military and SS officers searching for an American contact to discuss surrender terms. Dulles was forced to reject this feeler because President Roosevelt and Gen. William J. Donovan, the director of OSS, had expressed concern about the reaction of the Soviet allies to any negotiations by the Western Allies with the Germans.[6] (U)

Over the next several months, Dulles continued to receive feelers in Switzerland from senior SS officers, including such notable Nazis as Heinrich Himmler, Ernst Kaltenbrunner, and Walter Schellenberg. But these contacts all came with strings attached, such as the requirement that the Americans and the British join forces with the Germans to fight the Soviets. At the same time, intelligence reports and simple rumors

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[5]Allen Dulles, *The Secret Surrender* (New York: Harper & Row Publishers, 1966). (U)

[6]For copies of Dulles's communications from Bern on the German feelers and the delicate negotiations, see Neal H. Petersen, ed., *From Hitler's Doorstep: The Wartime Intelligence Reports of Allen Dulles, 1942-1945* (University Park: The Pennsylvania State University Press, 1966). For other information on Dulles's activities in Switzerland and Operation SUNRISE, see Richard Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (Berkeley: University of California Press, 1972), pp. 204-241; Bradley F. Smith, *The Shadow Warriors: O.S.S. and the Origins of the CIA* (New York: Basic Books, 1983), p. 286; Grose, *Gentleman Spy*, pp. 226-244. (U)

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underscored the German determination to fight to the last man by fortifying the Alpine regions of southern Germany and Austria. The so-called "National Redoubt" concerned American planners who were anxious to avoid a major loss of lives at the end of the war.[7] From the Allied perspective, Operation SUNRISE offered a way to end the fighting in Italy while ensuring that the Germans could not mount a last-ditch battle in the Alps. (U)

By late 1944, various SS officials in Italy and in Germany decided to contact the Allies. One of these undertakings, codenamed WESTWIND, failed because of rivalries at the highest levels of the SS. By mid-February 1945, *SS-Obergruppenfuhrer* Karl Wolff, the commander of all SS troops in Italy, told Walther Rauff, a subordinate SS officer, that he wanted to establish contact with the Allies in neutral Switzerland. Rauff mentioned this to another SS officer, Guido Zimmer, who suggested Baron Luigi Parilli as an intermediary. (U)

Parilli, the prewar European representative of a prominent American company, was closely tied to Zimmer and may have been one of his agents. The Italian claimed that Zimmer's love for Italy and his concern that the Germans would unleash a "scorched earth" policy motivated both men to seek the Allies. Through Professor Max Husmann, a Swiss schoolmaster, Parilli received a visa to visit Switzerland and present the German proposal to Maj. Max Waibel, a Swiss intelligence officer and a contact of Allen Dulles, the OSS station chief in Bern. This led to the first meeting between Gero von Gaevernitz and Parilli in Lucerne and the beginning of Operation SUNRISE. (U)

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[7]For an outline of Operation SUNRISE, see Waller, *The Unseen War*, pp. 366-390. (U)

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In March 1945, Dulles and Gaevernitz met in Switzerland with Wolff. Dulles knew that Wolff wanted to discuss surrender terms, but the OSS station chief made continued discussions conditional upon the release of several Italian resistance leaders in German captivity. Wolff told Dulles that he wanted to surrender SS forces to the Allies and that he would work to get Field Marshal Albert Kesslering, commander of all German military forces in Italy, and his successor, Field Marshal Heinrich von Vietinghoff, to do the same. (U)

Guido Zimmer played a steady role in facilitating German feelers with the OSS in Switzerland. Within days after the first meeting between Gaevernitz and Parilli in February 1945, Zimmer and another German officer, *SS-Standartenfuhrer* Eugen Dollmann, traveled to Lugano to meet with the Americans. Dollmann had served as a translator for Hitler when he visited Mussolini. Himmler valued Dollmann for his social and political contacts in Rome. As events unfolded, Zimmer continued to be a key point of contact and even coordinated the placement of a Czech-born OSS radio operator, Vaclav Hradecky, first at the SS headquarters in Milano and later in Bolzano. With Zimmer's protection, Hradecky, known as "Little Walter," provided communications between Allied headquarters in Caserta and the Germans in northern Italy. (U)

In the meantime, Wolff met with Dulles and other British and American officers in northern Italy to continue the preliminary discussions. Feelers by other senior SS officials complicated Wolff's own efforts to deal with the Western Allies. Hitler, in fact, learned of Wolff's activities, but did not take any action against the SS general. The death of President Roosevelt in April also created new problems when Dulles received

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orders to drop all contact with the Germans. After further delays and more frustration, Dulles nonetheless succeeded in getting two representatives of the German army and SS to sign the surrender documents on 29 April 1945.[8] (U)

A More Moderate Element in the Waffen SS (U)

The fact that Operation SUNRISE ended the war in Italy has been overshadowed by other, more ominous, characterizations of the surrender in the decades after 1945. Historians, journalists, and even some intelligence officers have downplayed the importance of the secret surrender and criticized Allen Dulles for promoting his own role and that of the OSS. More damaging, however, are the accusations that Allen Dulles promised to prevent any postwar Allied retribution against the German officials involved in the surrender negotiations. Operation SUNRISE is regarded by some historians as "an early glimpse backstage before the curtain went up on a Cold War drama that dominated international affairs for a long time to come."[9] (U)

Bradley F. Smith and Elena Agarossi regard Dulles's efforts as an important milestone in the postwar struggle between East and West. "Implicit in the cold war evolution was a shift from the picture of Germany as an evil and aggressor nation to that of comrade in the struggle against Communism . . . .What Operation Sunrise

[8]Ibid. (U)
[9]Ibid, p. 390. (U)

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demonstrates is that individual Germans were eager to do what they could to push the Western powers into a cold war stance as quickly as possible."[10] (U)

The case of SS *Obergruppenfuhrer* Wolff is well known to historians, who claim that Dulles had made special arrangements for the German participants in Operation SUNRISE. After having met Wolff in Bern in March 1945, Dulles cabled Washington to say that "Wolff's distinctive personality, our reports and impressions indicate he represents more moderate element in Waffen SS, with mixture of romanticism. Probably most dynamic personality North Italy and most powerful after Kesselring."[11] (U)

After the German surrender, the Allies did not put Wolff on trial at the International Military Tribunal at Nuremberg, although the Americans extensively interrogated him. The British then held him as a witness in the trial of Field Marshal Kesslering until 1949 and subsequently placed the SS general on trial in Hamburg. The British failed, however, to present a solid case against Wolff. Aided by affidavits from Dulles and other Allied officers involved in the German surrender in Italy, Wolff won an outright acquittal. The West German Government eventually filed its own charges against Wolff in 1962 when he was found guilty of being "continuously engaged and deeply entangled in guilt" for the crimes of the Third Reich. He received a 15-year prison sentence.[12] (U)

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[10]Bradley F. Smith and Elena Agarossi, *Operation Sunrise: The Secret Surrender* (London: Andre Deutsch, 1979), pp. 187-188. (U)
[11]Petersen, *From Hitler's Doorsteps*, p. 468. (U)
[12]Smith and Agarossi, *Operation Sunrise*, pp. 188-192; Dulles, *The Secret Surrender*, pp. 252-253. See also "SS General Was Aide to Himmler," New York *Journal American*, 30 September 1964, a copy filed in vertical files at the Historical Intelligence Collection, CIA Library. (U)

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As he wrote his recollections of Operation SUNRISE, Dulles had this to say about Karl Wolff:

> This is not the place or the time to attempt to pass on the extent of Wolff's guilt or to analyze his incentives and motives in acting as he did in the Sunrise operation. The German court has rendered its judgment, and it is useless to attempt here to reconcile his conduct as a close confidant of Himmler's for many years with that of the man who, more than any other person, contributed to the final German surrender in North Italy . . . . The conclusions must be left to history. One point seems to me to be clear: Once convinced that he and the German people had been deceived and misled by Hitler, and that by prolonging the war Hitler was merely condemning the German people to useless slaughter, Wolff determined that whatever his past purposes and motivations might have been, it was his duty, henceforth, to do what he could to end the war. During the weeks of our negotiations he never weakened in this determination, or varied from this course; he never, as far as I could see, made us promises which he failed to fulfill within the limits of his power and capabilities. Hence, he made his great contribution to the success of the Sunrise operation.[13] (U)

While the case of SS Gen. Wolff has attracted the most attention, numerous intermediaries paved the road to the eventual German surrender in northern Italy. How did the other German participants in Operation SUNRISE fare at the hands of the Western Allies? Three SS officers —Eugen Dollmann, Eugen Wenner, and Guido Zimmer—also played important roles in Operation SUNRISE. When *Obergruppenfuhrer* Wolff decided to contact the Allies, moreover, he did so through an Italian businessman, Baron Luigi Parilli. The postwar records of those four men illustrate the dilemmas facing the conquerors in later years. (U)

Crisis in Rome (U)

[13]Dulles, *The Secret Surrender*, p. 253. (U)

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The case of General Wolff was the best known of troubles that faced the German participants involved in Operation SUNRISE. As new players and political forces emerged in postwar Europe and Washington, the US government agencies in contact with the former German officers multiplied–and in many cases these organizational shifts erased institutional memories. Eugen Dollmann and Eugen Wenner created problems for the Allies in the years after the war, with Dollmann remaining active in the intelligence arena in Europe for the next decade. (U)

After a lengthy confinement, Dollmann and Wenner escaped from an Allied prisoner of war camp in 1946. In August of that year, Capt. James J. Angleton, the head of SCI/Z, the counterintelligence branch in Rome of the Strategic Services Unit (the successor to OSS), learned from Baron Luigi Parilli that Italian military intelligence had placed Dollmann and Wenner in custody in Milan. According to Parilli, a rightwing Italian faction planned to use both Germans to discredit the Allies.[14] (S)

To forestall such a plot, Angleton managed to bring Dollmann and Wenner to Rome and provided them with false identities. He also urged the US Army to publish a

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[14]Cardinal Ildebrando Schuster of Milan claimed that he had saved Italy from German destruction and had arranged for the Nazi surrender. A supporter of the Italian Fascist regime, Schuster had, in fact, been involved in separate unsuccessful negotiations between the Italians and Germans in the last year of the war. By using Dollmann and Wenner, Italian conservatives hoped to stir nationalistic fervor against the Americans and the British, just as the Allies were negotiating a peace settlement with Italy. Bringing German military and SS officers to justice for Nazi crimes committed in wartime Italy raised troublesome issues in postwar Italy, including wartime collaboration with the Nazis, the role of the Catholic Church, and how Italian Communisms used Italy's fascist past against the present Italian Government and the Allies. The Allies ruled Italy through the Allied Control Council under the terms of the September 1943 armistice, although the Italian Government was responsible for internal affairs after December 1945. The 1946 peace treaty, dictated to Italy by the Allies, aroused considerable antagonism on the part of both Italian left and rightwing parties. See Smith and Agarossi, *Operation Sunrise*, pp. 57, 66, 138, and 142. See also Giuseppe Mammarella, *Italy after Fascism: A Political History 1943-1965* (Notre Dame: Notre Dame University Press, 1966), pp. 159-175. For further details, see Cable, [redacted] to Special Operations, 20 November 1946, IN 44607, (S), in Directorate of Operations Records, [redacted], Box 7, Folder 201, CIA Archives and Records Center (hereafter cited as DO Records, job, box, folder, and CIA AARC). (S)

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"white paper" on Operation SUNRISE to counteract the attacks by Italian rightists and communists. The Italian police, however, arrested Dollmann, and he became caught up in an internal power struggle within the Italian bureaucracy. Angleton, in turn, tried to get Dollmann released from Italian custody. After learning about Dollmann's arrival in Rome, the Italian Communism press raised his name as a witness, or as a possible defendant, at the trial of Nazi officers involved in the German massacre of 335 Italian civilians in March 1944.[15] (S)

The British and Americans in Rome could not agree whether Dollmann and Wenner had been offered any sort of immunity or protection as a result of their role in Operation SUNRISE. British Maj. Gen. Terence S. Airy, one of the two Allied generals

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[15]Cable. [redacted] to Special Operations, 20 November 1946, [redacted] 664, IN 44607, (S), in DO Records, [redacted], Box 7, Folder 201,CIA ARC. Italian partisans attacked a column of SS troops in the Via Rasella in Rome on 23 March 1944, killing some 32 soldiers. Upon hearing the news, Hitler ordered German authorities in Rome to kill ten Italians for every German death. SS *Obersturmbannfuhrer* Herbert Kappler, the head of the SS in Rome, hastily gathered Jews, communisms, and other prisoners and brutally murdered 335 men and boys in the Ardeatine caves outside of Rome the following day. With the liberation of Rome by the Americans in June 1944, Italian authorities began the gruesome task of recovering and identifying the remains. In November 1946, the British tried two German generals for their role in the Ardeatine Caves massacre; Kappler was a witness for the prosecution. The court found the two generals guilty and sentenced them to death. As it turned out, the British later remanded the sentences to life imprisonment and then cancelled the jail terms. The British released one of the generals in 1952 (the other had died in prison of natural causes). In the meantime, the British also tried Field Marshal Kesselring in 1947 for ordering German troops to slaughter Italian civilians in Rome and elsewhere. He was found guilty and sentenced to death; a judgment that aroused great debate in Great Britain. Winston Churchill and other senior British leaders protested Kesselring's fate, and it was reduced to life imprisonment. In 1952, Kesselring also returned to West Germany as a free man. In July 1947, the British turned Herbert Kappler over to the Italian Government. In May 1948, the Italians tried Kappler and five other SS officers for their roles in the Ardeatine caves massacre. All of the officers, with the exception of Kappler, were acquitted. The Italian military tribunal found Kappler, as the commander, guilty of murder, and he was sentenced to life imprisonment. After numerous appeals, the Italian Supreme Court confirmed the sentencing. Twenty-four years later, Kappler's wife assisted him in escaping from an Italian prison and smuggled him to West Germany. Claiming that he was a "Christ-like figure," Mrs. Kappler declared, "the more they hate Herbert Kappler, the more I love him. He was only obeying orders." Kappler died in West Germany in February 1978 at the age of 70. See Richard Raiber, "Generalfeldmarschall Albert Kesselring, Via Rasella, and the 'Ginny Mission,'" *Militargeschichliche Mitteilungen* 56 (1997), pp. 69-106. See also Robert Katz, *Death in Rome* (New York: MacMillan Company, 1967), pp. 225-238. For Kappler's postwar troubles, see "Herbert Kappler Dies; Nazi Fled Captivity in Rome," *New York Times*, 10 February 1978, p. A5. (U)

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who met with Wolff during the negotiations, denied that Dollmann played any role in the surrender proceedings. Allied Forces Headquarters (AFHQ), in turn, issued a press release to this effect, stating that it had Dollmann in custody after his escape from a British POW camp earlier in the year.[16] Angleton, however, continued to urge officials in Italy and in Washington to help Dollmann and Wenner, both of whom had since been transferred to an American military prison in Rome.[17] (S)

In Washington, the Central Intelligence Group (CIG, successor to SSU) scrambled to find a way out of the mess. [redacted], chief of CIG's Control branch, contacted the State Department to ascertain its views on the Dollmann-Wenner case.[18] [redacted] told State that "he was in agreement that the record should be kept clear in Italy and that we should not allow the Communisms to undermine our position on a false set of facts, which could be cleared up by an official statement setting forth the truth with regard to Dollmann and Wenner." Walter Dowling, the head of the Italian Desk at the State Department and the official assigned to provide the Department's views on the case,

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[16]Dollmann's arrest is discussed in "Germans on Trial in Rome Massacre," *New York Times*, 18 November 1946, p. 5. The *New York Times* provided limited coverage of the British trial of Gens. Eberhard von Mackenson, commander of the German 14th Army, and Kurt Maelzer, German commandant in Rome, in November 1946. (S)

[17]Cable, [redacted] to SO, 20 November 1946, [redacted] 664, In 44607, (S), in DO Records, [redacted], Box 7, Folder 201, CIA ARC. (S)

[18]Rome telegram 4255, 21 November 1946, provided the Secretary of State, with details of the Dollmann case as the State Department had learned from the Italian press and from the American military and intelligence. According to the cable, the Italian press "has commented bitterly, with usual strong anti-Allied bias and propaganda appeal to latent Xenophobia. Principal complaints are that Allies have derogated Italian police sovereignty and have further taken and hidden German officer who may well be connected with Ardeatine caves massacre." A copy of the State Department telegram is found in DO Records, [redacted] Box 7, Folder 201, CIA ARC. (U)

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told [redacted] that State felt that the US Government should not "protect" the two Germans.[19] (S)

[redacted] also faced a problem of ascertaining whether the Allies had made any promises to Dollmann and Wenner during the negotiations. In researching the case for Lt. Gen. Hoyt S. Vandenburg, the Director of Central Intelligence, [redacted] reviewed the 1946 British interrogation report of Dollmann as well as Dulles's 1945 report of Operation SUNRISE to see what information he could find. [redacted] determined that they had participated in the surrender negotiations "at no small risk." He found no evidence that either had received any commitments. Dulles himself confirmed to [redacted] that he had "made no promises or commitments to Dollmann or Wenner, nor did he authorize any other person to make such commitments." Dulles stated that "these men did participate in the negotiations and his feeling is that if they are in trouble that some effort should be made to help them." [redacted] agreed and told his superiors that "whether or not binding commitments were made to Dollmann or Wenner, it seems that we owe some consideration to these two men."[20] (S)

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[15] [redacted] summary of the Dollmann-Wenner case and his discussion with Dulles are found in "Eugenio Dollmann and Eugene Wenner," no date, (S), in DO Records, [redacted], Box 7, Folder 210, CIA ARC. Born in 1902 in Los Angeles, [redacted] was the chief of Control for the Office of Special Operations (OSO) in CIG. In this position, he was CIG's liaison officer with the State and Treasury Departments, the military, and the FBI. He was a graduate of Yale University and its law school and served as a Foreign Service officer in Latin America, the Far East, and Europe from 1928 until he joined OSS in 1943. Upon his transfer to OSS, [redacted] served as the chief of intelligence operations at Allied Forces Headquarters in Caserta, Italy, and as Dulles's successor as the OSS and later SSU chief of mission in Bern, Switzerland. [redacted] resigned from CIG in June 1947. See Personnel File, [redacted] (S)

[20] "Eugenio Dollmann and Eugene Wenner," no date, (S), in DO Records, [redacted], Box 7, Folder 201, CIA ARC. (S)

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On 27 November, Gen. Vandenburg cabled to Lt. Gen. John C.H. Lee, Deputy Supreme Allied Commander, Mediterranean Theater and commanding general of the Mediterranean Theater of Operations United States Army (MTOUSA), stating that a review of the OSS operational records and discussions with both Allen Dulles and Maj. Gen. Lyman L. Lemnitzer, who had been the American general officer present during the SUNRISE talks, confirmed Dollmann's role in the surrender proceedings.[21] The DCI told Gen. Lee that "it would appear that present representations by Italians is attempt to undermine Allied position in Italy and in view of the above facts and particularly the repercussions and results that any unjust treatment of these individuals would have on the future long-range United States intelligence activities in Italy." Following the recommendations offered by [redacted] Vandenburg stated that "it would appear that Allied interests would best be served if AFHQ would confirm that Dollman[n] and Wenner participated in SUNRISE negotiations and show these individuals appropriate consideration in present circumstances." The DCI added that the State Department had no objection to this proposed course of action.[22] (S)

Gen. Lee replied to Gen. Vandenberg on 29 November 1946. According to research that Lee had done in Italy, Lemnitzer and Airey, the two Allied generals who represented Gen. Dwight D. Eisenhower, the Supreme Allied Commander, during the

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[21]Lyman L. Lemnitzer served as chief of staff to British Gen. Sir Harold Alexander who was the Supreme Allied Commander for the Mediterranean Theater. He later served as chief of staff to the US commander of the Mediterranean Theater of Operations. See Ronald H. Cole, Lorna S. Jaffe, Walter S. Poole, and Willard J. Webb, *The Chairmanship of the Joint Chiefs of Staff* (Washington, DC: Joint History Office, Office of the Chairman of the Joint Chiefs of Staff, 1995), pp. 66-75. (U)

[22]Cable, Central Intelligence Group to Commanding General, Mediterranean Theater of Operations (COMGENMED), 27 November 1946, War Department 86566, (S), in DO Records, [redacted], Box 8, Folder 161, CIA ARC. A similar cable was sent from OSO to [redacted] on the same date. (S)

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meetings with Wolff had "had the strictest instruction not to offer any form of immunity or reward to any individual and only operate on the basis of unconditional surrender." Lee stated, "they scrupulously carried out their instructions." Any promises made by any other individual or party to the Germans ran counter to Eisenhower's orders.[23] (S)

Gen. Lee categorically denied that Dollmann played any part in the negotiations and refused to release him, claiming such a step would "not help Dollmann and would create confusion with respect to Allied Force Headquarters position." The American commander noted that his headquarters had already offered Dollmann to the British as a witness and would hand him over to the Italians if an Italian court decided to press charges. "Since it is now known that Dollmann is held in United States custody, it would place Allied Force Headquarters in untenable position morally should it refuse request from Italian court that Dollmann testify." If and when legal proceedings subsided, Lee promised, the Army would then "repatriate Dollmann through normal United States channels."[24] (S)

Lee's cable brought a sigh of relief in Washington. On 3 December, Vandenberg informed Lee that he "greatly appreciate[d] proposed action on Dollmann." Vandenburg, in turn, provided the Army in Italy with further information on Dollmann's role as an intermediary between Wolff and Dulles as well as in facilitating the release of the two Italian prisoners held by the Nazis. "Records and Mr. Allen Dulles confirm that no immunity in any form was offered to any individual involved in SUNRISE," Vandenberg

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[23]Cable, [redacted] to War Department, 29 November 1946, F73492, IN 45013, (S), in DO Records, [redacted] Box 8, Folder 161, CIA ARC. (S)

[24]Ibid. (S)

assured Lee. "Interest of the Central Intelligence Group," the DCI stated, "is solely to insure that long-range intelligence activities of the United States will be secured."[25] (S)

Continuing Intelligence Value (U)

By the end of December 1946, Gen. Lee in Caserta reported that neither the British nor the Americans wanted to hold Dollmann for war crimes prosecution. The Italians had not taken any steps to gain custody of either Dollmann or Wenner. Lee recommended that Dollmann be returned to Germany where the Army could detain him if the Italians decided to press criminal charges.[26] In relaying this information to Angleton, the Central Intelligence Group stated that he should "confidentially advise Dollmann solution of his difficulties and repatriation to Germany solely of efforts this organization.[27] (S)

The Dollmann-Wenner case came to a head in the spring of 1947. In mid-April, Joseph N. Greene, the acting US Political Adviser to Gen. Lee, reported to Washignton that the Italians had asked for Dollmann's transfer on two occasions in January and again

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[25]Cable, CIG to COMGENMED, 3 December 1946, War Department 86882, (S), in DO Records, [redacted], Box 5, Folder 76, CIA ARC. A copy of this same cable was sent by OSO to [redacted] and is found in DO Records, [redacted], Box 8, Folder 161, CIA ARC. Headquarters kept Angleton in Rome informed of the communiqués between Caserta and Washington. See HH (identity unknown) to BB8 (Angleton), "Dollmann and Wenner," 5 December 1946, (S), in Eugen Dollmann, [redacted], DO Records. (S)

[26]Cable, Supreme Allied Commander, Mediterranean (SACMED), Caserta to War Department, 28 December 1946, F 73983, IN 46259, (S), in DO Records, [redacted] Box 8, Folder 161, CIA ARC. (S)

[27]SO to [redacted] 31 December 1946, Washignton 5263, (S), in DO Records, [redacted], Box 7, Folder 201, CIA ARC. (S)

in April, but that the Army had failed to act.[28] The Italians did not know that the Americans also had Wenner, but his fate was clearly linked to Dollmann's. Both men, the Army felt, had "continuing intelligence value" and should be transferred to the Army's control in Germany.[29] By the first week of May, the State Department reported that the Army now wanted to "dispose" of the two SS officers "without further delay."[30] (S)

In mid-May, the Army provided the State Department with an Italian warrant for the arrest of four German SS officers, including Dollmann, for the murder of Italian citizens. Of the four, the Americans had only Dollmann, who was ill at the time and receiving treatment at the American military hospital in Rome. By now, however, State Department officials in Italy wondered if handing Dollmann over to the Italians was a good idea. The US consulate in Leghorn advised the State Department that the "long range interest (including CIG) in Dollmann hinges on likelihood that if he is abandoned to Italian jurisdiction other agents will doubt American ability [to] protect them."[31] (S)

Italian interest in trying Dollmann finally prompted the Army to act. On 17 May, the Army in Italy turned over Dollmann and Wenner to representatives of the Army's

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[28]As the Army cut its troop strength in Italy, MTOUSA headquarters moved from Caserta to Leghorn in April 1947. Most of the 25,000 American soldiers in Italy in early 1947 were employed in occupation duties in Trieste, graves registration work, civil affairs and war crimes activities in Rome, and maintenance of lines of communication from Leghorn to Austria, as well as training support for the new Italian army. See US Department of State, *Foreign Relations of the United States, 1947*, Vol. III: *British Commonwealth, Europe* (Washington, DC: Government Printing Office, 1972), pp. 880-882. (U)

[29]Leghorn to Secretary of State, 12 April 1947, State 53, (S), in Dollmann, [redacted], DO Records. (S)

[30]Leghorn to Secretary of State, 8 May 1947, State 73, (S), in Dollmann, [redacted], DO Records. (S)

[31]Leghorn to Secretary of State, 15 May 1947, State 77, (S), in Dollmann, [redacted], DO Records. (S)

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Office of the Director of Intelligence (ODI) of the European Command in Germany.[32] [redacted] informed CIG Headquarters of the transfer two months later and observed that American intelligence had done everything in its limited power to not only prevent handing over Dollmann and Wenner to Italian authorities, but also to the British. [redacted] asked Headquarters to contact both men in Germany to assist in their "rehabilitation"; Dollmann and Wenner had "information which would place present Italian political regime in bad light if published." Likewise, CIG in Rome was still anxious to inform the two Germans that their deliverance from the Italian authorities had come through its good graces.[33] (S)

Dollmann's and Wenner's return to Germany did little to diminish their reputation as hot potatoes.[34] The Army confined both men to its interrogation facility in Oberursel, near Frankfurt, although they soon agitated to return to Italy in the fall of 1947. The new Central Intelligence Agency argued against their return and stated that they should remain in the American zone and, if they traveled to Italy, "we will *not* [original italics] intercede

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[32]COMGENUSFMTO, Leghorn, to CIG, 28 May 1947, F 76420, IN 15447, (S), in DO Records, [redacted], Box 7, Folder 203, CIA ARC. (S)

[redacted] to SO, 7 July 1947, [redacted] 373, IN 17693, (S) in Dollmann, [redacted] DO Records. The next week, Foreign Branch M, which ran OSO's operations in central Europe, requested Foreign Branch P, responsible for southern Europe, to provide the German Mission with a summary of the Dollmann-Wenner case. See [redacted] to FBP, "Dollmann and Wenner," 14 July 1947, (S), and Chief, FBP to Chief of Station, Heidelberg, "Dollmann and Wenner," 31 July 1947, MGH-A-253, (S), both documents in Dollmann, [redacted], DO Records. (S)

[34]Dollmann and Wenner were not the only Nazi intelligence personnel returned to Germany from Italy by the Americans. In August 1946, SSU in Germany asked the Army to transfer Carmine Renato Senise, an Italian citizen who spied for the Germans in the United States and Sweden during the war. SSU had arrested Senise in January 1946 and held him for questioning in the Italian capital. By August of that year, SSU grew concerned that Italian authorities would try Senise for collaboration, and he would then divulge his penetration of OSS in Scandinavia during the war. SSU wanted the Army to transfer Senise from Italy to Germany for further interrogation under American control. See Henry D. Hecksher to Chief, CIB, USFET, "Senise, Carmine Renato (Request for Transfer of Senise from AFHQ, Italy to USFET)," 26 August 1946, LWX-991, XARZ-27328, (S), in DO Records, [redacted], Box 2, Folder 15, CIA ARC. (S)

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their behalf to get them out again." If they went south, the two Germans ran the risk of being arrested, interrogated, and held for war crimes by the Italians. CIA in Washington agreed to pay for the rehabilitation costs for both Dollmann and Wenner, but only in Germany.[35] (S)

The case led to further disagreements within the CIA and the Army in November 1947. Col. Donald H. Galloway, the Assistant Director for Special Operations, and Gordon M. Stewart, CIA's chief of mission in Germany, met with Maj. Gen. George P. Hays of ODI to discuss Dollmann and Wenner. Hays criticized the CIA's position in advocating amnesty in Germany for both men. He "again pointed out that the American army had won the war in Italy and that OSS publicity about Sunrise was in extremely poor taste and that these individuals, although they may have helped us were, at the same time, possible war criminals or war profiteers." Hayes opposed any form of amnesty because it would "condone their crimes without proper examination."[36] (S)

Hayes's position, however, was not shared by all of his own office. The chief of ODI's Operations Branch, a Col. Wentworth, insisted that the two German officers be allowed to proceed to Italy. Gordon Stewart again opposed this because it "would be embarrassing to us and dangerous to them." As a compromise, the Army and CIA agreed to let the two SS men return to their homes in Germany on a pass in order to settle their domestic affairs. Stewart, however, expressed continued concern about the two Germans. "It is presumed," the mission chief told Washington, "that Dollmann and

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[35]SO to Heildeberg, 22 October 1947, Washington 8089, OUT 53419, (S), in Dollmann, [redacted], DO Records. (S)

[36]Gordon M. Stewart, COS, Heidelberg, to FBM, "Eugen Dollmann and Eugen Wenner," 7 November 1947, MGH-A-1976, (S), in Dollmann, [redacted], DO Records. (S)

Wenner will not return after their leave, and it is expected that they will not be heard from in the future. When their failure to return is noted in ODDI, they will be entered in the rogues' gallery, and if they are picked up in Germany, they will be consigned to a civilian internment enclosure to await [a] *spruchkammer* [denazification] trial. If they decide, against our orders, to return to Italy, they understand that absolutely no support will be forthcoming from the Allies."[37] (S)

Stewart privately expressed his frustration over the US Government's handling of Dollmann and Wenner. "Had this case been purely and simply ours, I should have been inclined to consign Dollmann and Wenner to a civilian internment enclosure and to have helped them with their trial. As it happens, however, the case passed out of our hands in the Italian phase, and complete responsibility for the two bodies rests with ODDI [sic]." Army officials, Stewart noted, "realize the chance they are taking in attempting to shield Dollmann and Wenner from the *spruchkammer* trial."[38] The Army released Dollmann and Wenner from its interrogation center in November 1947, at which time the Central Intelligence Agency considered its affairs with both men closed. (S)

Wenner soon disappeared from sight, only to turn up later in South America. Dollmann, however, did not vanish. An Italian source told the CIA in the summer of 1948 that the Army's Counter Intelligence Corps employed him in Milan.[39] His life story soon appeared in serialized articles in the Italian press in 1949, and he published a

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[37]Ibid. (S)
[38]Ibid. (S)
[39]Chief, FBM to Chief of Station, Karlsruhe, "Eugen Dollmann, Eugen Wenner," 6 May 1949, MGK-W-2069, (S), in Dollmann, [redacted] DO Records. (S)

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memoir, *Call Me Coward*, in 1955.[40] Dollmann moved from Italy to Switzerland and then to Spain and Germany, occasionally coming into contact with US diplomats.[41] The Agency kept its distance from the former German SS officer, even informing its [redacted], "We warn against operational use of Dollmann during his stay in Spain because he has already been involved with several intelligence organizations in Western Europe since 1945; his reputation for blackmail, subterfuge and double-dealing is infamous; he is a homosexual."[42] (S)

The Zimmer Case (U)

Dollmann and Wenner were a handful, but the Americans also faced problems with what to do with Guido Zimmer after the war. Like Dollmann, Zimmer's connections in Italy were extensive. Unlike either Dollmann or Wenner, OSS recruited Zimmer as an agent at the war's end and harbored him in the months afterward. (S)

Born in Germany in 1911, Zimmer joined the Nazi party in 1932 and became an SD officer four years later. He was posted to Rome under Foreign Ministry cover in

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[40]Dollmann's book describes his convoluted wartime and postwar activities, but focused on his experiences after 1945. He claims that Allen Dulles told Karl Wolff at a meeting on 19 March 1945 in Ascona that "although you have put forth no demands of a personal nature whatever, and although you have not even asked for any undertaking concerning your future activities in Germany, I hope nevertheless that after the surrender has been carried through we shall be able to count on your co-operation and that of your closest associates." Eugen Dollmann, *Call Me Coward*. Trans. by Edward Fitzgerald (London: Kimber, 1956), p. 191. (S)

[41]For example, see Chief of Base, Pullach to Chief of Mission, Frankfurt, "Eugen Dollmann Case," 18 August 1954, EGL-A-10377, (S), enclosing [redacted] Memorandum of Conversation, 6 August 1954, (C), and Chief of Mission, Frankfurt to Chief, EE, "Eugen Dollmann Case," 22 September 1954, EGQ-A-48865, (S), all in Dollmann, [redacted], DO Records. (S)

[42]Acting Chief, WE, to Chief [redacted], "Germans in Spain: Eugen Dollmann," 23 April 1952, WSM-W-1725, (S), in Dollmann, [redacted], DO Records. Dollmann was known to have been involved with the Italian intelligence services, and the Swiss had expelled him after uncovering his homosexual involvement with a Swiss police official. (S)

1940, working for Herbert Kappler, a police attaché because the Nazis had agreed not to assign intelligence officers on Fascist Italian soil. Zimmer's true role as an officer in Amt VI, however, was exposed to the Italians, and he was forced to return to Germany.[43] *Hauptsturmfurhrer* Zimmer did not return to Italy until February 1944, when he opened Amt VI's office in Milan, where he organized networks of German and Italian staybehind agents in northern Italy. (S)

Zimmer was also involved in the roundup of Jews in Milan and Genoa, working under *Hauptsturmfurhrer* Theodore Saevecke, the chief of the SD's *Aussenkommando* Milan. Saevecke's senior officer, *Standartenfuehrer* Walther Rauff, headed the SS *Gruppen Oberitalien West* in Milan. Rauff, in turn, reported to SS *Gruppenfuhrer und Generalleutnant der Polizei* Dr. Wilhelm Harster, the chief of the *Sicherheitspolizei* and *Sicherheitsdienst* in Italy. While only a relatively small number of SS officers served in Italy during the latter part of the war, all of these men had notorious criminal records. Rauff, for example, had previously headed SS efforts to liquidate Jews through the use of mobile vans after the invasion of the Soviet Union.[44] (S)

With his ties to both Nazi war criminals and to Operation SUNRISE, Zimmer found himself in a unique position when the war ended in Italy. Two parts of the OSS sought him–one to recruit him as an agent and the other to arrest him as an SS officer. James J. Angleton, the commander of the SCI/Z in Italy, began rounding up SS officers

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[43]According to one source, Zimmer received a report from a German agent in Rome about a threat to Mussolini's life. In Kappler's absence, Zimmer gave the information to a German Embassy official who, in turn, provided the details to the Italian authorities. Zimmer's role in the Embassy and the identity of his source were thus compromised, and Zimmer was brought back to Germany. See SAINT BB8 (Capt. James J. Angleton) to SAINT AMZON, "Zimmer Guido," 28 November 1945, JZX-5519, (S), in Guido Zimmer, [redacted], DO Records. (S)

[44]For further details, see Walter Rauff, [redacted], DO Records. (S)

and Italian agents and collaborators even before the war ended.[45] Zimmer, as the head of Amt VI in Milan, was a key suspect, especially as the Americans had uncovered his extensive files, which outlined the organization of the SD's networks in Italy. (S)

On 11 September, four months after the end of the war, Angleton reported to the head of X-2 in Washington that "Zimmer has become the CI 'ghost' of this theater." The German officer was "evidently receiving protection from some high AFHQ quarter on the basis of his contribution to the Sunrise operation." Angleton denounced this alleged special treatment and noted that even Gen. Wolff had been arrested and sent to Nuremberg. Zimmer, he said, "should be given at least a complete tactical interrogation on Abt [sic] VI activities in the Milan area, details of which, from all available evidence, he knows thoroughly." The X-2 office in Milan, Angleton observed, "has been considerably exercised by the sloppiness with which the case has been handled and the apparent 'clamming-up' which takes place when straight questions are asked."[46] (S)

What Angleton did not know was that Zimmer had escaped from Italy and made his way to Germany, where he had been recruited as an agent by X-2. On 27 August when Zimmer reported to US Army authorities in Erlangen, near Nuremberg, he claimed to have just arrived from Salzburg in Austria. Zimmer asked to be turned over to the

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[45]For example, see Lt. James J. Angleton to See Distribution, "Interrogation Report of Rose Cappelli, Maid of Lt. Guido Zimmer," 3 September 1945, JRX-608, enclosing "Interrogation Report of Cappelli Rosa, Maid of Lt. Guido Zimmer, of the SS," 28 August 1945, JRX-608, (S), in Zimmer, ⊏ ⊐, DO Records. (S)

[46]SAINT, BB8 (Angleton) to SAINT, DH1, "Guido Zimmer, CO, Abt VI, AKO Milan," 11 September 1945, JZX-4039, enclosing ""The Case of Guido Zimmer, Obersturmfuhrer SS/Feldpost No. 02039," (S), in Zimmer, ⊏ ⊐DO Records. (S)

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local Special Counter Intelligence (SCI) unit.[47] X-2's Capt. George A. Schriever soon made arrangements for Zimmer to settle at his wife's house in Erlangen and submitted a request to use Zimmer as an X-2 agent.[48] Schriever wanted Zimmer to penetrate a shadowy German underground group known as *Freikorps Adolf Hitler*.[49] (S)

By the end of 1945, however, Zimmer's usefulness as an agent had diminished. The *Freikorps Adolf Hitler* had "not developed into anything really interesting," Schriever reported. "We are now beginning to feel that it is one of those organizations which exist only in the minds of some men along with the broken splendors of Dr. Goebbel's propaganda."[50] SSU officials in Germany and Italy now wanted Zimmer off

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[47]According to a postwar source, Zimmer ended the war in Switzerland although he reportedly returned to Milan in an American officer's uniform in the summer of 1945. See Chief of Station, Karlsruhe to Chief, Foreign Division M, "Guido Zimmer," 28 March 1951, MGLA-5858, (S), in Zimmer, [redacted] DO Records. (S)

[48] Born in February 1911, George A. Schriever received a B.S. in Political Science from the University of Missouri in 1933. He joined the US Army as a private in February 1942 and served in the Aleutian Islands, rising to the rank of sergeant major. After completing the Officer Candidate School at Ft. Benning, GA, Schriever joined OSS where he served in Special Operations (SO) until transferring to X-2 in December 1944. Schriever remained as an Army officer until the spring of 1946 and worked as a liaison officer between the Central Intelligence Group and USFET on CI matters in Germany. [redacted]

[49]X-2, SCI Erlangen, "Operations Report 15 Aug.-15 Sept.," 21 September 1945, LWX-010-915a, X-3379, enclosing Capt. George A. Schriever to Commanding Officer, OSS/X-2, "Semi-Monthly Report," 21 September 1945, (S); SCI Erlangen, "Semi-Monthly Report 15 Sept.-30 Sept.," 3 October 1945, LWX-010-1003, X-3655, enclosing Capt. Schriever to Commanding Officer, OSS/X-2, "Semi-Monthly Report," 3 October 1945, (S); and Maj. Crosby Lewis, Commanding SCI/Counter Intelligence Branch, G-2, USFET, to Chief, Counter Intelligence Branch, G-2, USFET, "SCI Weekly Operations Report," 26 September 1945, enclosing X-2/OSS, "Report on SCI Operations for Week Ending 26 September 1945," (S), all reports in DO Records, [redacted] Box 1, Folder 14, CIA ARC. For Schriever's request to vet Zimmer as an X-2 agent, see AB 16, AMZON, to SAINT, Washington, "Vetting of Guido Zimmer," 20 September 1945, LWX-002-920a, (S), in DO Records, [redacted], Box 406, (no folder listed), CIA ARC. (S)

[50]X-2, SCI Erlangen, "Operations Report 15 Aug.-15 Sept.," 21 September 1945, LWX-010-915a, X-3379, enclosing Capt. Schriever to Commanding Officer, OSS/X-2, "Semi-Monthly Report," 21 September 1945, (S), in DO Records, [redacted] Box 1, Folder 14, CIA ARC. (S)

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their hands.[51] Capt. Angleton in Italy, who continued to argue that Zimmer did not deserve any special favors from American intelligence, pressed for a full interrogation of Zimmer by SSU officials in Germany. "The measure of [Zimmer's] good faith," Angleton wrote, "will be found by comparing whatever he has told you" with the facts as uncovered by SSU in Italy.[52] (S)

SSU in Germany eventually agreed, but wanted Zimmer handled in Italy. Capt. Angleton still wanted to interrogate Zimmer if he returned to Italian soil.[53] He protested to the Army officials in Italy, "Zimmer has enjoyed privileged treatment at the hands of non-CI agencies in this Theater because of his role in the SUNRISE Operation. This fact," he warned, "makes it difficult for this Unit, under present circumstances, to take a position" regarding Zimmer's disposal in Italy. Angleton offered his opinion that Zimmer "at the outset was deserving of no better or worse treatment than that afforded persons of much greater importance to the success of SUNRISE than he, namely General Wolff and Dollmann."[54] (S)

The Army now intervened to keep Zimmer in Germany because it opposed bringing Zimmer and his family to Italy. The Army declared that Zimmer should be treated like any other enemy intelligence officer and held for interrogation in Germany

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[51]Zimmer, in the meantime, had written both Husmann and Waibel in Switzerland to ask for their help. Husmann told Zimmer that Waibel had taken up his case with Gero von Gaevernitz. See Husmann to Zimmer, 15 November 1945, in Luigi Parilli, [redacted], DO Records. (S)
[52]SAINT BB8 (Angelton) to SAINT, AMZON, "Zimmer, Guido," 28 November 1945, JZX-5519, (S), in Zimmer, [redacted], DO Records. (S)
[53]Capt. Angleton to AC of S, G-2, AFHQ, "Lt. Guido Zimmer," 11 February 1946, JZX-6613, (S), in Zimmer, [redacted], DO Records. (S)
[54]Ibid. (S)

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and then eventual repatriation there.[55] This decision, in turn, prompted SSU in the American Zone to ask that Headquarters step in to reverse the Army's decision.[56] (S)

Anxious not to get caught in the middle of the two arguing missions, Headquarters simply sent a cable to Germany and Italy asking what steps have been taken to review Zimmer's request with Allied Forces Headquarters. Washington emphasized that Dulles wanted to provide aid and comfort to Zimmer for his work with Operation SUNRISE and his postwar efforts on behalf of X-2 in Germany.[57] Angleton's response on 6 March was succinct. "In view of hostility to Zimmer reentering, believe it necessary for you to take action through the War Department. We can take no further action," he declared.[58] (S)

SSU officials in Washington now scrambled to gather the facts to resolve the Zimmer dilemma. A former OSS officer in Switzerland, Frederick J. Stalder, summarized his activities with Zimmer during the surrender proceedings. "There is no doubt," Stalder quoted Dulles' report on SUNRISE, "that if Zimmer had ever been caught in any of these operations, he would not be alive today."[59] Stalder concluded by saying that while Dulles offered no promises to those involved in the surrender

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[55]Cable, Rome to Washington, 22 February 1946, Rome 2167, IN 33190, (S), abstract in Zimmer, [redacted] DO Records. (S)

[56]Cable, AMZON to Washington, 25 February 1946, AMZON 5107, IN 3328, (S), abstract in Zimmer, [redacted] DO Records. (S)

[57]Cable, Washington to Rome, Washington, 28 February 1946, Washington 15957, (S), abstract in Zimmer, [redacted], DO Records. (S)

[58]Cable, Rome to Washington, 6 March 1946, Rome 2677, IN 33808, (S), abstract in Zimmer, [redacted] DO Records. (S)

[59]Frederick J. Stalder to [first name not identified, but probably Philip] Horton, "Max Zimmer, Gen. Wolff's Aide in the Sunrise Operation," 3 April 1946, (no classification listed), in Zimmer, [redacted] DO Records. Philip Horton was the chief of the Reports Board at OSS Headquarters in Paris in 1945; he later served as the SSU [redacted] chief of mission in France. (S)

negotiations, he hoped that Allied officials would give Zimmer every "consideration."[60] (S)

SSU's Bern Station weighed in with a cable on 9 April and said that the decision to send the SS officer back to Italy "should rest largely on 110's [Dulles's] analysis moral obligation to Zimmer." In any case, SSU in Bern advocated a full interrogation because Zimmer "was very active various branches German espionage and sabotage agencies until beginning of end north Italy."[61] (S)

In an effort to provide further evidence of Zimmer's importance to American intelligence, Cdr. Edward J. Green, the Deputy Chief of the German Mission, wrote to Washington on 12 April. Green quoted Gero von Gaevernitz as saying that "Guido Zimmer was of outstanding help in Sunrise Operation by sheltering and protecting Allied radio operator in his house in Milano, Italy, under great personal risk, right under the nose of the Gestapo." Green also endorsed a proposal by von Gaevernitz and Lt. Col. Max Waibel of the Swiss General Staff that the US Government pay for the therapy of Zimmer's children in Switzerland as they recovered from bouts of tuberculosis.[62] (U)

Even as Green wrote his memorandum to Washington, Headquarters announced its decision in Zimmer's case on 10 April. In a brief note, X-2 stated that "you are advised that no action will be taken in Washington insomuch as it is believed from a

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[60]Ibid. (S)

[61]Cable. Bern to Washington, 9 April 1946, Bern 388, IN 35548, (S), abstract in Zimmer, [redacted] O Records. (S)

[62]Cdr. Edward J. Green, Deputy Chief of Mission, to Chadbourne Gilpatrick, "Zimmer Children," 12 April 1946, (no classification listed), in Zimmer, [redacted], DO Records. (S)

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review of this entire matter that Zimmer is not entitled to any such preferential treatment."[63] (S)

After this flurry of attention in 1946, Zimmer disappeared from the intelligence scene.[64] His former partner in Operation SUNRISE, Luigi Parilli, however, continued to interest the new Central Intelligence Agency.[65] Through Parilli, the Americans eventually renewed acquaintances with the German SS officer when the paths of Parilli and Zimmer crossed again in late 1948. When the Italian made his first trip to Germany since the war, he visited Zimmer in Erlangen and offered him a position as his private secretary. By this point, Parilli had become the Envoy Extraordinary and Minister Plenipotentiary of the Sovereign Order of Malta to the Bavarian government and the US military occupation authorities. Parilli, in fact, had spent a fascinating time after the war,

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[63]SAINT to SAINT, AB 2, "Guido Zimmer," 10 April 1946, (S), in Zimmer, [redacted] DO Records. (S)

[64]While Zimmer's case came to a fitful close in the spring of 1946, Angleton in Italy remained interested in Zimmer's wartime activities. In late June, Angleton reported to Washington that the so-called Zimmer notebooks had been translated into English. The four notebooks, written in shorthand, were first translated into German and then into English, accounting for their lengthy delay following X-2's seizure in Milan at the end of the war. The notebooks, broken into 167 separate memos, covered the period from late 1944 until May 1945, although the months of November and December 1944 were missing. In Angleton's viewpoint, Zimmer's notes "provide one of the richest single bodies of information on the activities of Abt. VI Milan and the background of the Armistice negotiations." The notebooks contained detailed descriptions of Italian agents in the employ of the Germans as well as on the activities of the SS in Italy. In reviewing the notes, Angleton observed, "it is apparent that the pre-armistice negotiations were as much the work of the Intelligence (most particularly Abt VI) system on the German side as it was from the side of the Allies." See BB 8 (Angleton) to JJ2, "The Zimmer Note-books," 28 June 1946, JRX-3748, (S), in Zimmer, [redacted], DO Records. (S)

[65]As early as July 1945, Parilli had fallen out with the OSS, who viewed him as a German agent. In 1946 and again in 1947, a series of articles appeared in Italian newspapers on the German surrender in Italy. American intelligence felt that Parilli was the source of information for these articles and a self-promoter of his role in facilitating the German contacts with the Allies. (S)

and he had traveled to the United States on three separate occasions in 1946 and 1947 for business purposes.[66] (S)

In meeting with Zimmer in late 1948, Parilli was on the verge of making contact with the Gehlen Organization, the nascent West German intelligence service. Parilli felt that Zimmer could be of benefit in reestablishing ties with many of his wartime German intelligence officials now in the service of the United States. In fact, Parilli's visit to Germany smoothed the way for Reinhard Gehlen, the head of the German service, to travel to Rome in January 1949. Accompanied by Col. William R. Philp, the US Army officer responsible for the Gehlen Organization, Gehlen met with the American military attaches in Rome, Madrid, and Paris. The meetings in Rome were particularly important because Gehlen wanted to renew his wartime ties with the Vatican.[67] (S)

The CIA, however, expressed concern about the developing close ties between Parilli and Gehlen, in part because of the Italian's efforts to get the Gehlen Organization to aid his former colleagues, including Dollmann and Wolff. The Agency, in turn, warned Gehlen of Parilli's real intentions and the German intelligence chief began to suspect Parilli's own motives when it came time to discuss joint business ventures. By

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[66]CIA did not learn that Parilli had been to the United States until late 1948. This led to a flurry of memos between the Agency and the State Department trying to ascertain just how often Parilli had been to America. In 1947, the State Department rejected Parilli's non-quota immigrant visa sponsored by the Joint Chiefs of Staff because of his involvement with the Nazis and his misrepresentation of the facts about his relationship with OSS. See Cable, [redacted] to Special Operations, 17 December 1948, [redacted] 1649, IN 19585, (S); Cable, [redacted] to Special Operations, 6 January 1949, [redacted] 1688, IN 20804, (S); D.L. Nicholson, Chief, Division of Security, Department of State to Robert A. Schow, Assistant Director, CIA, "Baron Luigi Parilli, 1 April 1949, (S); Chief, Foreign Branch M to Chief of Station, [redacted] "Baron Luigi Parilli," 20 April 1949, MSB-W-1129, (S); Nicholson to Schow, "Baron Luigi Parilli," 21 April 1949, (S); and Chief, Foreign Branch M to Chief of Station, [redacted] "Baron Luigi Parilli," 28 April 1949, MSB-W-1166, (S); all in Parilli, [redacted], DO Records. (S)

[67]Cable, Munich to Special Operations, 7 January 1949, Munich 252, IN 20936, (S), in Parilli, [redacted] DO Records. (S)

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the fall of 1949, Gehlen told his CIA contact that he would maintain "only the most casual and friendly relationship" with the Italian. This news was well received at Headquarters where it had learned that even Parilli's SS contacts, including Gen. Wolff, considered him as an "out-and-out mercenary."[68] (S)

In 1951, the CIA opposed the move on the part of the Supreme Headquarters Allied Powers Europe (SHAPE) to nominate Parilli as the semiofficial liaison between the North Atlantic Treaty Organization (NATO) partner nations and the Vatican. In a cable from Headquarters to [redacted], the CIA observed "Parilli undoubtedly has numerous Vatican contacts and even direct access to Pope, we are advised that his proposed appointment would cause unfavorable reaction among many influential Italians, because of Parilli's double agent role during the war." The Agency also opposed Parilli's appointment due to "certain questionable postwar activities and manipulations."[69] (S)

The Agency's interest in both men diminished after the early 1950s. In Zimmer's case, the CIA reported only an "academic interest, despite his long disappearance from the intelligence scene."[70] Another report noted that Zimmer was connected to Parilli and probably with SS groups in Germany. The Agency regarded Zimmer as "unimportant

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[68]See Cable, Munich to Special Operations, 23 June 1949, Munich 574, IN 35287, (S); Pullach to Special Operations, 25 June 1949, Pullach 001, IN 35477, (S); and Special Operations to Pullach, Karlsruhe, 30 June 1949, Washington 5954, OUT 84266, (S); all in Parilli, [redacted] DO Records. See also Chief of Station, Karlsruhe to Chief, Foreign Branch M, "Baron Luigi Parilli," 9 August 1949, MGL-A-192, (S); Chief of Station, Karlsruhe to Chief, Foreign Branch M, "Luigi Parilli," 21 September 1949, MGL-A-425, (S); and Chief, Foreign Branch M to Chief of Station, Karlsruhe, "Luigi Parilli," 4 October 1949, MGK-W-3082, (S), all in Parilli, [redacted], DO Records. (S)

[69]Cable, Special Operations to [redacted] 15 June 1951, Washington 46436, OUT 53886, (S), in Parilli, [redacted] DO Records. (S)

[70]Chief, EE to Chief of Station, Karlsruhe, "Guido Zimmer," 9 January 1951, MGK-W-7381, (S), in Zimmer, [redacted], DO Records. (S)

and not of sufficient stature to take the initiative and thus become dangerous."[71] By the time that Dulles wrote *The Secret Surrender* in 1966, Parilli, who had long suffered from poor health, had died twelve years earlier. Guido Zimmer, "the aesthetic captain who had always cut a rather unlikely figure in the SS uniform," had moved to Argentina.[72] (S)

Unique Contributions (U)

In its historical summary of the wartime years, the Strategic Services Unit concluded that "the negotiations carried out through OSS/Bern for the surrender of the enemy armies in northern Italy and southern Austria had underlined one of the unique contributions an undercover–and hence quasi-official–agency could make in the course of modern war."[73] But, in order to bring about the surrender, the OSS had to deal face-to-face with the enemy. While Wolff, Dollmann, and Wenner did not suffer as harsh a fate as some of their SS colleagues in terms of lengthy imprisonments or even capital punishment for their war crimes, the CIA and its predecessors did little to assist them in the years after the war. Dollmann, in fact, harbored resentment against the Americans for his postwar circumstances. Only in the case of Zimmer do we find that X-2 in Germany sheltered the SS officer while, ironically, X-2 in Italy pushed for his confinement and interrogation as an enemy intelligence officer. From the available documentation, it is

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[71] Abstract, 4 April 1950, "Activity of Military Circles in Western Germany," MGL-A-34, (S), in Zimmer, [redacted], DO Records. (S)

[72] Dulles, *The Secret Surrender*, pp. 250 and 252. (U)

[73] Strategic Services Unit, *War Report of the OSS (Office of Strategic Services)*, vol. II, *The Overseas Targets*, new introduction by Kermit Roosevelt (New York: Walker and Company, 1976), pp. 324-325. (U)

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apparent that the CIA preferred to keep the Operation SUNRISE negotiators at a distance and, in the case of Luigi Parilli, distrusted their motives and actions. (U)

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Chapter Two

An SD Agent of Rare Importance (U)

If Operation SUNRISE represents the role that OSS played to bring about the conclusion of the war by strategic means (the high-level discussions between senior German and Allied officials), then the use of low-level agents to counter enemy intelligence activities took more of a tactical character. This responsibility fell to OSS's X-2, or counterespionage branch.[1] X-2 collected information on Axis intelligence organizations and espionage activities while protecting OSS from penetration. Following its establishment in 1943, X-2 also maintained security of OSS's own operations, "vetted" or conducted background checks on OSS employees and agents, and acted in a liaison capacity with other American counterintelligence agencies and with foreign intelligence services. (U)

In northwestern Europe, X-2 units, known as Special Counter Intelligence (SCI) detachments, operated with the American forces in the field, including the Twelfth Army

[1]For a general study of X-2, see Timothy J. Naftali, *X-2 and the Apprenticeship of American Counterespionage, 1942-44* (Ph.D. dissertation, Harvard University, 1993). Naftali has also written an article discussing X-2's operations in postwar Germany. See Naftali, "Im Zerrspiegel: US Gegenspionage in Deutschland, 1945-1948," in Wolfgang Krieger and Jurgen Weber, eds., *Spionage fur den Frieden: Nachrichtendienste in Deutschland wahrend des Kalten Krieges* (Munich: Olzog Verlag, 1997). (U)

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Group and its subordinate armies, the First, Third, and Ninth. X-2 also had similar units serving with the Sixth Army Group and its Seventh Army, and liaison with the First French Army. Other SCI detachments supported the Communications Zone of the European Theater of Operations in France and the British Twenty-first Army Group.[2] They fell under the counterintelligence branch of the G-2, or intelligence, section of the various headquarters to which they were assigned. The strength of the SCI units ranged from 15 officers and enlisted men at the Army Group level to 10 operating at the Army level. Like most OSS organizations in the field and at home, the SCI detachments included both male and female members, including civilians, as well as a handful of officers and enlisted men who came from the US Navy and Marine Corps. The bulk of the military personnel, however, hailed from the Army. All told, X-2 had some 200 officers, enlisted men, and civilian personnel in Germany in mid-1945 under the overall direction of Lt. Col. Andrew H. Berding.[3] (U)

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[2]The 31st SCI Detachment, with the First Army, landed in France in June 1944 and was followed by the Third Army's 62d SCI Detachment the following month. Both units formed the Twelfth Army's Group SCI Detachment in August 1944, and it split following the liberation of Paris. Approximately half of the personnel remained in the French capital as the headquarters for X-2 in France. In the meantime, the 69th SCI Detachment came up with the Seventh Army in southern France in August 1944. The detachment later split into three separate SCI units: the 11th, 55th, and 88th, the later serving with the Seventh Army at the front and the two other detachments in the rear areas. X-2/Paris also ran its own CI operations in addition to providing command and control for the SCI detachments in the field. The 103rd SCI Detachment handled X-2 liaison with the British in the Twenty-First Army Group's area of operations. *OSS War Report*, Vol. II, pp. 249-250. (U)

[3]Berding, born in 1902, graduated from Oxford University and worked as a journalist and editor before the war. Among his foreign posts, Berding had been AP's bureau chief in Rome during the 1930s. After the war, Berding held senior positions in the US Government, including deputy director of the US Information Agency and Assistant Secretary of State for Public Affairs. He was the author of several books and coauthor of *The Memoirs of Cordell Hull*. Berding died in August 1989. *Who's Who in America with World Notables: A Biographical Dictionary of*

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X-2 became involved in some of the most interesting operations during World War II, some of which formed the foundation for the earliest American intelligence operations in the Cold War. As outlined in a February 1944 directive from Supreme Headquarters Allied Expeditionary Force (SHAEF), an SCI detachment in the field had the following missions:

1. To distribute and interpret to the CI Staffs all counterespionage information received by them from London and from other SCI units, and advise as to its most effective and secure use.

2. To afford the maximum protection to special sources of secret counterespionage information.

3. To advise CI Staffs in the selection of counterespionage targets whose capture is likely to yield materials of value.

4. To assist CI staffs in the examination of captured enemy documents or material of special counterespionage interest.

5. To assist CI Staffs in the interrogation of captured enemy agents.

6. To pass to London all information on enemy secret intelligence services collected in the field, including such captured documents and other materials as are no longer required in the field.

7. To serve as a direct channel between each Army Group headquarters for information on enemy secret intelligence services collected in the field.

8. To serve as a channel between the Army Groups and from the Army Groups to London for any other counterintelligence information that cannot be passed through normal service channels. (U)

Notable Living Men and Women, Vol. 35 1968-69 (Chicago: A.N. Marquis Co., 1968), p. 193. (U)

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The British intelligence services, primarily MI 5 and Section V of MI 6, provided X-2 with extensive training and background on the German intelligence services. In particular, the British used X-2 as the channel to provide OSS with intelligence derived from German radio traffic—the famous ULTRA intercepts. Likewise, the British indoctrinated the Americans in the shadowy world of counterintelligence, especially double-agent operations. The British, by this time, had eliminated or doubled all of the German agents in the United Kingdom. The British and X-2 set up a CI War Room in the spring of 1944 to compile and distribute information about the German intelligence personnel, agents and operations. OSS's London Office controlled all X-2 operations although the Americans also set up a subordinate headquarters in Paris in the fall of 1944 to handle counterintelligence activities on the Continent. While the close American and British cooperation experienced some strains as the Allies moved across Western Europe, X-2's liaison with the British services proved essential to its wartime success and to the future of American CI activities in the postwar years.[4] (U)

Almost immediately after the Normandy landings, X-2 found itself in the business of tracking down agents left by the Germans behind Allied lines. As X-2 uncovered these individuals scattered throughout France, it developed some of them as "controlled enemy agent" operations. By early 1945, X-2 had recruited a number of these agents—some Germans and many French and other native collaborators—for its penetration operations. The growing number of such recruitments prompted Brig. Gen. Eugene L.

[4] See Timothy J. Naftali, "De Gaulle's Pique and the Allied Counterespionage Triangle in World War II," in Hayden B. Peake and Samuel Halpern, eds., *In the Name of Intelligence: Essays in Honor of Walter Pforzheimer* (Washington, DC: NIBC Press, 1994), pp. 379-410. (U)

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Harrison, G-2 of the Sixth Army Group, to provide guidance to his subordinate CI staffs at Army Group headquarters as well as the Seventh Army and the French First Army. In February 1945, Harrison called for a recruited enemy penetration agent to meet the following criteria:

1. He should previously have had some close and trusted contact with the German Intelligence Services (GIS), preferably the *Sicherheitsdienst* or *Abwehr*.

2. His contact should have been on a fairly high level. Local informants would not come within this category, although clerical employees who handled records would.

3. He should have been close to some German intelligence official for whom he could ask and to whom he would be instantly recognizable and recommendable.

4. He should be intelligent enough to realize that Germany has lost the war, and that his only chance to avoid the penalties for his previous association with the GIS is to help eliminate [the] GIS.

5. We should have very definite holds over him. He should owe to us his release from jail and temporary suspension of whatever sentence has been passed against him. His family should be on our side of the lines, and it should be established that there has been no estrangement from his family. His finances, if any, should be under Allied control or surveillance.

6. He should have had as genuine a change of political heart as possible. Undertaking a penetration mission merely to affect a release from jail is not sufficient motive.

7. He may be promised financial recompense; however, the recruiter must not let the prospective agent believe that the recruiter considers this any motive for the mission. The recruiter must convince the agent that he, the recruiter, believes the agent is undertaking the mission for patriotic motives, and the monetary angle is merely a side-issue designed to pay expenses or to maintain the agent's family.

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8. It is also believed that the penetration cases using persons who did not work for the German Intelligence Services similarly fall within such category because of the design that such persons, used as agents by us, shall become double agents through being used by the enemy.[5] (U)

A Convinced Nazi (U)

The recruitment of enemy personnel as penetration agents presented both opportunities and risks for American intelligence. Brig. Gen. Harrison had appointed himself the sole approving authority in the Sixth Army Group for double agents. To act as his executive, Harrison designated Lt. Cdr. Akeley P. Quirk, the Sixth Army Group's SCI Detachment commander and a naval officer, as the coordinator of Enemy Penetration Cases. Requests by subordinate commands, including the French, to use enemy personnel as agents were routed through Lt. Cdr. Quirk who, in turn, submitted the names of the prospective agents to the War Room in London.[6] (U)

When considering the use of enemy personnel, Harrison warned, "every effort will be made to prevent the agent from having access to [Allied] military information or observation." Likewise, case officers would not use any Allied military information as "feed" material until it had been coordinated by Lt. Cdr. Quirk and cleared, "word for word," by the G-2 and G-3 staffs at Army Group headquarters. Following the return of

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[5]Brig. Gen. Eugene L. Harrison, Assistant Chief of Staff, G-2, Sixth Army Group, to ACS, G-2, CI, Sixth Army Group, Seventh Army, and Commandant de Deuxieme Bureau, First French Army, "Penetration Agent Program," 19 February 1945, in Record Group 226, Records of the Office of Strategic Services, PARIS-X-2-OP-9, Entry 190B, Box 22, Folder 183, at National Archives and Records Administration (hereafter cited as RG 226, OSS Records, OSS File Number, Entry, Box, and Folder, NARA). (U)
[6]Ibid. (U)

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the agent to Allied control, the Sixth Army Group G-2 advised a full interrogation by the case officer to determine the reliability of the agent and his future usefulness. Case officers, in turn, would provide a full report of the operation to the G-2.[7] (U)

As early as Christmas 1944, in the midst of the German offensive in the Ardennes, Lt. Cdr. Quirk expressed his concerns to Col. Harrison about how prospective agents were being handled in the Seventh Army. Quirk protested the Seventh Army's Counter Intelligence Corps handling of Ludwig Nebel, a newly captured prisoner. Quirk's inquiry highlighted the difficulties of using Germans as penetration agents and foreshadowed the risks that American intelligence took in using these individuals.[8] (U)

On 2 November 1944, G-2, Seventh Army cabled the G-2, Sixth Army Group to report that two German saboteurs had been captured after crossing into American lines. The brief message stated that the two men planned to destroy gasoline pipelines and then travel to Paris to meet at the house of another saboteur. Identified as Ludwig Nebel, a Swiss-born member of the Waffen SS and an *Untersturmfuhrer* in the SD, and Maurice Zeller, a French civilian, the two men were captured prior to executing their mission. A third accomplice, Ferdinand Vliegen, had escaped capture and was being sought by American and French officials.[9] (S)

The next day, Lt. Arthur Iselin, Jr., a member of the Seventh Army's SCI Detachment, provided X-2, Paris with a copy of Nebel's interrogation report by the 307th

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[7]Ibid. (U)
[8]Lt. Cdr. Akeley P. Quirk to Col. Harrison, "CIB Coordination, Seventh Army," 22 December 1944, in RG 226, OSS Records, PARIS-X-2-OP-9, Entry 190B, Box 22, Folder 183, NARA. (U)
[9]Cable, G-2, Seventh Army to G-2, Sixth Army Group, 2 November 1944, SHAEF X-145/1, SMC IN 409, (S), in Ludwig Nebel, [redacted], DO Records. (S)

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CIC Detachment at Seventh Army headquarters. Following Nebel's capture by the 36th Infantry Division near Le Tholy, the German agent presented himself as an Alsatian who sought to join the French army. After the 36th CIC Detachment could not crack his story, the Americans turned him over to agents of the French Securite Militaire. According to an official CIC history, the French "gave him a thorough going over physically," and he was "unmercifully clubbed." Still he refused to confess until George Perper, a special agent with the Seventh Army's 307th CIC Detachment, produced a photo, that Perper claimed showed Nebel at Gestapo Headquarters in Paris. At this point, Nebel broke down and revealed that he was a SS NCO assigned to the sabotage section of RSHA Amt VI.[10] (S)

Thirty-two years old at the time of his capture, Nebel was described as a "convinced Nazi" who "would have been glad to carry out his sabotage mission in France." A deserter from the Swiss army, Nebel had joined the Waffen SS in 1942.[11] He stated that he had received his orders directly from Walter Schellenberg, the head of Amt

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[10]Lt. Arthur Iselin, Jr., Seventh Army SCI Detachment, to Robert Blum, X-2/Paris, "Preliminary Interrogation Report on Nebel, Ludwig, alias Neumann, Leon (nom de guerre) alias Haas, Karl," 3 November 1944, (S), enclosing Capt. M.E. Porter and Special Agent George A. Perper, 307th CIC Detachment, to Officer in Charge, "Nebel, Ludwig, alias Neumann, Leon (nom de guerre) alias Haas, Karl, confessed German Agent and Saboteur," 3 November 1944, (S), in Nebel, [redacted], DO Records. Porter and Perper wrote a follow-up report on Nebel's contacts in France on 14 November 1944. This CIC report and a 2 November 1944 translation of Nebel's "Confession" are located in his 201 file. See also US Army Intelligence Center, *History of the Counter Intelligence Corps*, Vol. XVII, *To the German Frontier Part II: Southern Armies 15 September-15 December 1944* (Baltimore: US Army Intelligence Center, 1959), pp. 12-15 (hereafter cited as *CIC History*, volume and page numbers). Citations are taken from the classified version of the *CIC History*, although the history has been declassified and is available at the National Archives and Records Administration and at the US Army Intelligence and Security Command, Ft. Belvoir, Va. (U)

[11]Ibid. (U)

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VI, on 1 October 1944. Nebel received a million French francs, food, explosives, and an identity card in the name of an Alsatian who had been killed in an air raid.[12] Dispatched across the lines through a quiet sector, Nebel planned to join the French army or gain some other employment in order to get an identity card. He would then move into the interior of France to join other agents to locate Allied lines of communication and supply networks. (S)

Even before Seventh Army had an opportunity to finish its interrogation of Nebel, X-2 ordered that the German agent and his French accomplice be transferred to Paris for further questioning. X-2 promised to return both men after three days for disposition by CIC (both men faced trial and possible execution as spies).[13] Upon arriving at the interrogation center in Paris, Maj. Franklin P. Holcomb, Jr., the chief of X-2/Paris, quickly observed that "Nebel in particular is an SD agent of rare importance, fully trained in sabotage, well acquainted with both officials and operations of the SD, and also briefed to contact a large staybehind network in France." Maj. Holcomb obtained verbal permission from the chief of the Counter Intelligence Branch, G-2 at SHAEF to "exploit

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[12]Interestingly, the Germans had also given British pounds to Nebel, which proved to be counterfeit. According to a British report in January 1945, "this incident is an interesting one if we assume that Amt VI S drew these notes from Germany and gave them to an agent for him to live on, this will be the first occasion that we know of where the Germans have deliberately paid an agent of their's with forged notes." While the British had encountered counterfeit money in the possession of German agents in Portugal, the British believed that the agents had obtained this false money on the black market. British intelligence felt that paying an agent in fake money was "almost incredibly stupid," and if "this is a new feature in the technique of the German Secret Service, it may be worth having on record." E.W. Reid to Teresa Clay, 11 January 1945, [no classification listed] in Nebel, [redacted], DO Records. (U)

[13]Cable, X-2/Paris to X-2, Seventh Army, 3 November 1944, Nr. 187, (no classification listed), in Nebel, [redacted] DO Records. According to Lord Rothschild, Lt. Gen. Alexander McC. Patch, commander of the Seventh Army, wanted Nebel back from Paris within three days to execute him. (S)

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the capture of Nebel and Zeller by utilizing them to identify and thus help destroy the entire SD network." Holcomb promised to keep the Seventh Army G-2 posted of developments in the case.[14] (S)

In Paris, Nebel underwent joint interrogations by both X-2 and MI 5 on his espionage background and sabotage mission. Lord Victor Rothschild of British intelligence examined Nebel's knowledge of German sabotage and quickly extracted what he needed from him.[15] Rothschild then advocated that Nebel be sent to London for a more detailed interrogation at Camp 020, a special MI 5 facility for enemy prisoners in Great Britain. Instead, the French, who had been allowed to read the Nebel interrogation material, wanted to retain him in order to identify other members of the German staybehind network near Paris. The arrest of the third member of Nebel's team also added to the need for further interrogation of the three men in France.[16] (S)

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[14]Maj. Franklin P. Holcomb, Jr., X-2/Paris to G-2, Seventh Army, "Custody of Nebel, Ludwig and Zeller, Maurice by SCI-Paris," 10 November 1944, (S), in Nebel, [redacted], DO Records. Holcomb, born in 1917 in Washington, DC, was the son of Gen. Thomas Holcomb, the commandant of the US Marine Corps. After attending Georgetown University, Holcomb entered the Marine Corps in 1941 and served with OSS in Morocco, Algeria, the United Kingdom, France, and China before leaving the service as a major in 1946. Holcomb later worked with the Department of Commerce [redacted]

[15]Born in 1910, Lord Nathaniel Mayer Victor Rothschild was educated at Harrow and received his M.A. and Ph.D. from Trinity College, Cambridge. After his wartime service, Lord Rothschild was assistant director of research in the Department of Zoology in Cambridge and a specialist on fertilization. He held numerous appointments until his death in 1990. See Rothschild entry in C.S. Nicholls, ed. *The Dictionary of National Biography 1986-1990* (New York: Oxford University Press, 1996), pp. 384-385. (U)

[16]B.1.C to War Room, through Mr. Noble, 16 November 1944, enclosing "Ludwig Nebel (Saboteur) Tactical Interrogation," 11 November 1944, (S); IID Cross-Reference Form, "SCI Weekly Operations Report (Wed. 8 Nov. thru Wed. 15 November)," 21 November 1944, FX-

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By late November, the Allies decided to use Nebel to track down his French contacts, especially a Richard Martin, the former mayor of Margency, near Paris, who headed a staybehind organization codenamed JEANNE. In addition to Martin, the Allies sought several other French links to the Germans and hoped to re-establish contact with Nebel's SS associate in order to identify the locations of hidden ammunition dumps and radio operators in Paris.[17] At this point, X-2 assigned Nebel the codename OSTRICH and transferred control of his third partner to the French. The Americans had not decided what to do with Maurice Zeller, the Frenchman captured with Nebel.[18] (S)

Lt. Charles C. Michaelis, the X-2 case officer for the OSTRICH project, with the permission of Lord Rothschild, released Nebel from confinement and put him up in an apartment.[19] Michaelis and the French took Nebel to various locations near Paris in order to identify individuals with whom he had been in contact before the Allied invasion. Lt. Michaelis translated the comments of Lt. Bardet, the French Securite Militaire officer

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010-1116, (S); Victor [Rothschild] to Miss Teresa Clay, B.1.C., 20 November 1944, (S); in Nebel, [redacted], DO Records. (S)

[17] 1st Lt. Charles C. Michaelis to Commanding Officer, X-2/Paris, "Nebel, Zeller, Vliegen Cases," 27 November 1944," (no classification listed), in Nebel, [redacted] DO Records. (S)

[18] 1st Lt. Michaelis to Chief, SCI, "Nebell [sic], Zeller, Vliegen Case – Situation Report," 26 November 1944, (no classification listed); see Clipping, "SCI Weekly Report 22.11.44-29.11.44" for the X-2 codename both in Nebel, [redacted] DO Records. (S)

[19] Born in 1910 in New York, Charles C. Michaelis lived his childhood and early adult years in Paris. He was an avid sportsman, a journalist and photographer for various American news papers in Europe during the 1930s and into the first years of the German occupation of France. In 1941, Michaelis returned to the United States and was inducted into the US Army in February 1942. After enlisted service, he completed OCS and was commissioned in October 1943. Michaelis transferred to OSS in December 1943 and went to London shortly afterward to serve with X-2. Following the invasion of France, Michaelis went with X-2 into France where he specialized in locating and turning German agents. Michaelis returned to Paris where the Army discharged him in December 1945. Michaelis remained in the French capital as the manager of the *Palais des Sports*. [redacted] For further details, see Charles C. Michaelis, [redacted], DO Records. See also DO Records, [redacted], Box 33, [no folder listed], CIA ARC. (S)

assigned to handle Nebel: "I believe that he is playing the game. [Nebel] is the prototype of the accomplished adventurer, with no scruples whatsoever, recognizing but one master, money, and one passion, women. As he is being kept happy," the X-2 officer recounted, "there is no reason why he should, in his present situation, cause us any trouble. Besides," Michaelis translated from the French report, "he is aware of the present critical situation of Germany, which should be a major reason for him to switch camps."[20] In a mid-December 1944 summary of Nebel's work with OSS, it was noted that the Allies controlled Nebel because his girlfriend and infant daughter lived in Mulhouse under Allied occupation.[21] Likewise, the Americans retained a large sum of money that Nebel had with him at the time of his capture. X-2, in the meantime, arranged to get his gold watch and knife returned to him from the 307th CIC Detachment.[22] (S)

We Have Confidence in Him (U)

With the opening of the German offensive in the Ardennes, Nebel's importance to Allied intelligence increased dramatically.[23] The need for the Americans and British to

[20]Lt. Michaelis to Chief, SCI, "Report of Lt. Bardet, [French] Case Officer in OSTRICH Case," 6 December 1944, (no classification listed), in Nebel, [redacted], DO Records. (S)
[21]Untitled Summary of the OSTRICH Case, 12 December 1944, (S), in Nebel, [redacted] DO Records. (S)
[22]Extract, 12 December 1944, (S), in Nebel, [redacted], DO Records. (S)
[23]Lt. Michaelis to Chief, SCI and Capt. [Francis C.] Grant, "Proposed Mission of Ostrich," 19 December 1944, [no classification listed], in Nebel, [redacted], DO Records. See also Lt. Col. Rothschild to "VBZ," 3 January 1945, enclosing notes on OSTRICH mission, [no classification listed], in Nebel, [redacted] DO Records. (S)

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round up staybehind German agents in France mounted as the Allies learned that German special forces had landed behind their lines during the Battle of the Bulge.[24] The Americans, in particular, made a frenzied effort to track down disguised German troops who caused havoc–but little actual damage–behind the lines. In a plan devised by Otto Skorzeny and dubbed Operation GRIEF, a special unit of Germans who spoke varying degrees of English dressed in American uniforms and drove Allied vehicles. At the same time, German paratroopers, commanded by *Oberst* Friedrich A. Freiherr von der Heydte, parachuted into Belgium to create further panic. Soon, Allied troops all the way back to Paris were on the lookout for Germans dressed in US Army uniforms. On 28 December, Michaelis reported that Nebel had spent several days at the Cafe de la Paix trying to recognize German soldiers in American uniforms.[25] (S)

While Nebel spotted neither Otto Skorzeny nor any other German soldiers in Paris, he was key to the unraveling of three networks of German agents operating in France.[26] He enabled the Allies to capture Fernande Ney, the wife of the leader of the JEANNE sabotage network, who had returned to France and met with Nebel in Paris, at which time she was arrested by X-2.[27] Ney's information led X-2 to Charles Moreau,

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[24]Cable, X-2/Paris to X-2/London, 22 December 1944, (S), in Nebel, [redacted], DO Records. (S)

[25]Lt. Michaelis to Chief, SCI, "OSTRICH Situation Report," 28 December 1944, [no classification listed], in Nebel, [redacted], DO Records. (S)

[26]For a list of persons identified by Nebel, see X-2/Paris, "Personalities of RSHA Amt VI and the Lagardere Organization Under Control of SCI Paris," 17 January 1945, S-439, FPX-1901, (S), in Nebel, [redacted] DO Records. Several of these German agents later became double agents for X-2. (S)

[27]Extract, SCI Weekly Operations Report, 13-20 December 1944, [no classification listed], in Nebel, [redacted] DO Records. For a notice seeking the arrest of Ney's husband, see X-

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another member of the group, and several other German support agents.[28] Further interrogations revealed that the Germans had dispatched three young French women from Germany via Switzerland to establish contact with Nebel.[29] The French also arrested Rene Poncin, a key contact of Nebel's in Paris and a member of the JEANNE network. Ironically, Poncin had enlisted in the French army after the liberation and was serving on the frontlines at the time of his apprehension.[30] Furthermore, Nebel identified another French agent of the Germans who had escaped to Switzerland. Armed with this information, X-2/Paris contacted its counterparts in Switzerland, which resulted in the agent's arrest by Swiss authorities.[31] (S)

These arrests, coupled with Nebel's firsthand knowledge of the SD sabotage rings organized by *Hauptsturmfuhrer* Arno Besekow, a German SS officer and deputy to Otto Skorzeny, persuaded Lt. Michaelis and Col. Rothschild of Nebel's value, though not of his virtue.[32] The French confirmed that Nebel's information had played a critical lead in

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2/Paris, "Rene Desire Nev, Saboteur of RSHA, Amt VI/S," 13 January 1945, S-408, FPX-1902, (S), in Nebel, [redacted], DO Records. (S)

[28]Cable, X-2/Paris to X-2/London, 28 December 1944, (S), in Nebel, [redacted], DO Records. (S)

[29]Lt. Michaelis to Chief, SCI, "OSTRICH Situation Report," 22 December 1944, [no classification listed], in Nebel, [redacted] DO Records. (S)

[30]Lt. Michaelis to Chief, SCI, "Rene Poncin, SD Agent and Member of RICHARD Organization, Paris," 1 December 1944, [no classification listed]; and X-2/Paris, "Statement of Rene Poncin, Member of SD-Controlled 'JEANNE' Organization," 21 December 1944, S-288, FPX-1630, (S), in Nebel, [redacted] DO Records. (S)

[31]X-2/London to X-2/Paris, "Our Letter on Marechal of Nebel Case dated 2.12.44," 19 December 1944, [no classification listed]; and X-2/Paris to X-2/London, "Marechal," 2 January 1945, (S), in Nebel, [redacted] DO Records. See also X-2/Paris, "Marechal, German Agent," 27 January 1945, S-522, FPX-2026, (S), in Nebel, [redacted] DO Records. (S)

[32]See Lt. Michaelis to Chief, SCI, "Counter-Sabotage Measures vs. Amt VI (BESEKOW) Organization," 31 December 1944, [no classification listed], in Nebel, [redacted], DO Records. For an additional report, see SAINT, Paris to SAINT, London and Washington, 29 January 1945, inclosing 1st Lt. Michaelis to Chief, SCI, "Resume of Known Activities of

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uncovering German caches.[33] "We have confidence in him," Michaelis declared. Nebel, who had been granted many liberties while in American hands, "is convinced that the German cause is lost and that he will play with us if only to avoid a worse fate which may await him in Germany." His cooperation with his captors was also a favorable mark, and OSS felt that Nebel's work on behalf of the Allies had not been exposed to the enemy. Michaelis reported that the "Germans consider him reliable, sure, and a valuable agent."[34] (S)

Despite the claims on Nebel's behalf, however, other X-2 officers expressed doubts. On 9 January 1945, Paul C. Blum, the X-2 chief in Bern, cabled X-2 in Paris and warned Allen Dulles, the OSS station chief, what he had learned from a senior Swiss police official. "Shoot him at sight; he's bad," the Swiss had exclaimed, adding that Nebel was "thoroughly Nazi and completely untrustworthy." Indeed, a Swiss court had sentenced Nebel to 15 years in prison in absentia for deserting the Swiss Army.[35] (S)

Officers at the Seventh Army still smarted over Nebel's removal by X-2/Paris and his transformation into an OSS penetration agent. Lt. Cdr. Quirk, the head of the Sixth

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Besekow-Litt Organization in France," 25 January 1945, (S), in Nebel, [redacted], DO Records. An update to this report is found in X-2/Paris, "Besekow-Litt Organization in France," 20 February 1945, S-665, FPX-5023, (S), inclosing 1st Lt. Michaelis to Chief, SCI, "Resume of Known Activities of Besekow-Litt Organization in France (Addendum to Memorandum dated 26 January 1945)," [exact date in January 1945 obscured], in Nebel, [redacted], DO Records. (S)

[33]X-2/Paris, "Report of Mission of Capitaine Klaiber, Chief of the 4e Section – 2e Bureau," 3 January 1945, S-373, FPX-1785, (S), in Nebel, [redacted], DO Records. (S)

[34]Lt. Michaelis to Chief, SCI, "OSTRICH Situation Report," 28 December 1944, [no classification listed], in Nebel, [redacted] DO Records. (S)

[35]DB-001 [Paul C. Blum] to X-2/Paris, "Ludwig Nebel," 9 January 1945, BX-33, (S); see also Cable, YAWL, Seventh Army, [identification undetermined], to X-2/Washington, X-2/Paris, 15 January 1945, (S), in Nebel, [redacted], DO Records. (S)

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Army Group's SCI Detachment, informed Col. Harrison, the G-2, on 22 December 1944 that Lt. Col. Burskin, chief of the Seventh Army's Counter Intelligence branch, and Maj. Alvie L. McDuff, commander of the Seventh Army's CIC detachment, had not acted in good faith regarding the handling and disposal of enemy agents. Quirk protested that both officers were trying to undermine Nebel's use by OSS. In fact, Quirk claimed that Burskin had even threatened to have Nebel shot if he came into the Seventh Army's lines. Faced with this reaction and the fact that the Seventh Army CIC had told the French about the OSS's employment of Nebel, Lt. Cdr. Quirk wanted to clarify whether the Seventh Army had any jurisdiction in a theater-level double–agent operation.[36] (U)

A Big Luncheon Party (U)

Swiss and Seventh Army concerns notwithstanding, X-2/Paris soon had big plans for Nebel.[37] By returning Nebel to German control, Michaelis and Lord Rothschild hoped that the Nazis would believe him and dispatch other agents to France where the Allies could easily round them up. They also tasked Nebel to obtain German sabotage target lists, identify Amt VI personnel involved in sabotage training, and locate enemy radio operators in France.[38] Nebel, in the meantime, prepared for his mission to return to

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[36]Lt. Cdr. Akeley P. Quirk to Col. Harrison, "CIB Coordination, Seventh Army," 22 December 1944, in RG 226, OSS Records, PARIS-X-2-OP-9, Entry 190B, Box 22, Folder 183, NARA. Apparently, the Seventh Army officers felt that they had been exposed to Nebel and his return to German lines jeopardized their safety. (U)

[37]Extract of Cable, X-2/Paris to Lt. Cdr. Quirk, 2 January 1945, [no classification listed], in Nebel, [redacted] DO Records. (S)

[38]Unsigned note with no title, 12 January 1945, (S), in Nebel, [redacted], DO Records. (S)

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German control and perfected his cover story. Lt. Michaelis even introduced Nebel to Herbert J.W. Berthold, another German intelligence turncoat and a successful X-2 penetration agent who was dressed in an American uniform.[39] Berthold formed an "excellent" impression of Nebel and his ability to recount a convincing story.[40] Michaelis even hosted a "big luncheon party" as a sendoff for Nebel on 5 January 1945; the guests included Lord Rothschild, French Lt. Bardet, and Berthold - a courtesy that defied proper counterintelligence procedures.[41] (S)

X-2/Paris was taking a big gamble. If Nebel proved to be unreliable, he could expose the identities of his case officers and describe Berthold, the other German double agent recruited by the Allies. Nebel could also reveal that the Allies had virtually wrapped up the JEANNE network. Nevertheless, Rothschild and Michaelis felt that Nebel's knowledge of tactical importance was "minimal" and that the benefits of sending Nebel back into German hands outweighed the risks. "It is," the British nobleman concluded, "a matter of great urgency for OSTRICH to be passed through the lines."[42] (S)

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[39]Berthold was a highly-successful X-2 penetration agent known as JIGGER. He had served in the Abwehr and provided the Allies with extensive information on German agent networks and personalities as well as the locations of numerous ammunition dumps hidden in France. Lord Rothschild, for example, noted on 26 September 1944 that "Lt. Michaelis is aware of the number of times I have been out with JIGGER and the fact that these dumps cannot be found without JIGGER." For further details on JIGGER, see *OSS War Report*, Vol. II, p. 251. Extensive documents on JIGGER, provided by him, are located in RG 226, OSS Records, Entry 190B, Boxes 19 and 20, PARIS-X-2-OP-3, and Entry 171, Box 47, WASH-X-2-PTS-15, NARA. (U)

[40]Extract of a Journal Maintained by 1st Lt. Michaelis, 26 December 1944 entry, [no classification listed], in Nebel, [redacted] DO Records. (S)

[41]Extract of a Journal Maintained by 1st Lt. Michaelis, 5 January 1945 entry, [no classification listed], in Nebel, [redacted], DO Records. (S)

[42]Unsigned note with no title, 12 January 1945, (S), in Nebel, [redacted] DO Records.

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Deutsche Agent. Bitte Ich zum Ic **(U)**

On the night of 14-15 January 1945, Nebel crossed from the sector controlled by the 80th US Infantry Division into the German lines near Ettelbruck, Luxemburg.[43] Lt. Michaelis planned to maintain contact with Nebel through his father, who still lived in Switzerland. Nebel, while in Germany, would send his father a note indicating that he was well and had spent several weeks in Berlin. This would indicate that his project was going well and that he would be dispatched to France in the next few weeks. Actually obtaining this information from Nebel's father, however, soon posed a problem. Michaelis instead recommended that X-2 should instead take his brother, Joseph, into its confidence and tell him that Ludwig Nebel worked for the Allies. In exchange for the brother's help, the Allies would promise to help clear Nebel's name with the Swiss authorities after the war.[44] James R. Murphy, the head of X-2, who was in Paris at the time, approved of this approach and relayed the information to Paul C. Blum, the X-2 chief in Bern.[45] (S)

In the meantime, Allied officials began to wonder where Nebel was in Germany. Two German parachutists, captured near St. Quentin on 3 March 1945, claimed that

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[43]Extract of a Journal Maintained by Lt. Michaelis, 22 January 1945 entry, [no classification listed], in Nebel, [redacted] DO Records. See also Maj. Andrew H. Berding, Chief, SCI, Twelfth Army Group to Chief, CIB, Twelfth Army Group, "Penetration Agents, Twelfth Army Group, to 23 January 1945," 23 January 1945, (S), in Nebel, [redacted], DO Records. (S)

[44]Lt. Michaelis to Chief, SCI, "Contacting OSTRICH's Father in Switzerland," 22 January 1945, [no classification listed], in Nebel, [redacted] DO Records. (S)

[45]JJ001[James R. Murphy] to DB001 [Paul C. Blum], "OSTRICH Operation (Part A & B)," 26 January 1945, [no classification listed], in Nebel, [redacted] DO Records. The records do not indicate that OSS ever established contact with Nebel through his family in Switzerland. (S)

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Nebel, known as LEO, had been well received upon his return to German control in January. The two agents reported that the SD had promoted Nebel and that Hitler himself had rewarded him for his service in France.[46] In addition, Michaelis, now at the front with the SCI detachment of the Sixth Army Group, reported to X-2 in Paris that another captured German agent had told the French that Nebel was last seen in Wiesbaden in mid-March. Michaelis was still hopeful, however, saying that he expected Nebel to remain with his German unit and turn the entire group over to the Allies.[47] (S)

Michaelis soon heard Nebel's saga upon his return to Paris. Nebel had entered the German lines and encountered the first picket post where he told the guards, "*Deutsche agent. Bitte zum Ic,*" – "German agent. Please send me to the Ic, or intelligence officer." Nebel was directed to the division headquarters and waited there while his story was checked out in Berlin. He eventually made his way back to Friedenthal, the headquarters for RSHA Amt VI/S. Otto Skorzeny warmly welcomed Nebel and informed SS headquarters of his safe return. The SS directed Nebel to go to Berlin to meet with Hitler to tell him about an abortive plot to kill French leader Charles De Gaulle. On 30 January, Hitler promoted Nebel to SS *Obersturmfuhrer* and awarded him the Iron Cross, First and Second Class.[48] (S)

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[46]Capt. [John S.] Wood, [Jr.] to Maj. Holcomb, 15 March 1945, [no classification listed]; and Incoming Telegram, War Room, 15 March 1945, PF/601265, [no classification listed], in Nebel, [redacted] DO Records. (S)

[47]Cable, Lt. Michaelis to X-2/Paris, 19 April 1945, 136, [no classification listed]; Cable, Maj. Berding to Lt. Cdr. Quirk, 5 May 1945, 16, [no classification listed]; X-2/Paris, "Preliminary Interrogation of Alice Mackert @ Antoinette Linser," 11 May 1945, S-1704, FPX-7001, (S), all in Nebel, [redacted] DO Records. (S)

[48]Nebel's adventures in Germany are found in X-2/Paris, "Information Received from OSTRICH," 27 April 1945, S-1194, FPX-6367, (S); X-2/Paris, OSTRICH Case – Supplementary

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While in Berlin, Nebel discussed his plans to return to France to organize further resistance efforts. Nebel wanted to dispatch equipment to France, where another man, Jacques Doriot, would use it to foment an uprising among the French against the Allies. The death of Doriot a few days later in a bombing raid ended this portion of the German plans, but Nebel proceeded to the front to prepare for his return to France. While at Badenweiler in southern Germany at the headquarters of the XVIII SS Corps, Nebel learned from *Oberleutnant* Kurt Merck, a former Abwehr officer stationed in France, that an agent named Alois Tonin had betrayed him. Tonin, it turned out, had escorted Nebel across the lines in October 1944 and had been captured by the French in Strasburg. He had been doubled and sent back to Germany, but reported to the Germans directly that he had learned from French officers that Nebel had been captured and severely interrogated until he agreed to work for the Allies.[49] (S)

Nebel now found himself suspected by the Germans, but his friends, including Skorzeny and Besekow, refused to believe Tonin's accusations. As the Allies pushed into Germany, Nebel could not undertake his mission to France and he, along with other

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Information," 30 April 1945, S-1668, FPX-6398, (S); X-2/Paris, "Interrogation of OSTRICH," 7 May 1945, [S number and FPX number illegible], (S); in Nebel, [redacted], DO Records. (S)

[49]Ibid. Interestingly, Merck appears later as an important figure in the Klaus Barbie case. Beyond his link to Nebel as mentioned above, Merck, alias Captain Kaiser, commanded a German army unit, known as Kommando ADLER, to conduct reconnaissance and intelligence work behind the enemy's lines. In the last weeks of the war, X-2 expressed interest in Merck's activities and those of his former driver in France, *Obergrefreiter* Johnny Plum, and Merck's French mistress, a Fraulein Richter. For further details on this side aspect of the Nebel case, see SCI Detachment, Sixth Army Group, "Fraulein Richter, Mistress of Merck Alias Capt. Kaiser," 17 May 1945, S-949, (S), and SCI Heidelberg, "Obergrefreiter Johnny Plum," 21 May 1945, S-1579, [no classification listed], in Nebel, [redacted], DO Records. Merck's own postwar intelligence activities are found in Kurt Josef Merk [note his name has various spellings], [redacted], DO Records. (S)

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elements of the SS in the Black Forest, sought shelter. On 22 April, Nebel (and two other SD members) surrendered to the French army who transferred him to Paris.[50] (S)

A Criminal Thug and Wholehearted Nazi (U)

After V-E Day, Michaelis brought Nebel and Berthold with him to the headquarters of the Sixth Army Group's SCI detachment in Heidelberg.[51] By June, X-2 had transferred control of the two men from the Sixth Army Group to the SCI detachment of the Twelfth Army Group in Munich to "discover personalities of interest to us in our general operations."[52] The following week, Capt. Eric W. Timm, commander of the SCI detachment in Munich, reported that he had arranged for both Nebel and Berthold to be employed by a firm to recover damaged vehicles.[53] Under this cover, both men could travel throughout Bavaria transporting goods and, at the same time, collect information

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[50]Ibid. (S)

[51]Sixth Army Group SCI Detachment, "Weekly Activity Report 13 May 1945 to 20 May 1945," 20 May 1945, in RG 226, OSS Records, Entry 190B, PARIS-X-2-OP-9, Box 22, Folder 183, NARA. (U)

[52]Twelfth Army Group SCI Detachment, "Activity Report for Week Ending 9 June 1945," 10 June 1945, LWX-4, enclosing Twelfth Army Group SCI Detachment to Assistant Chiefs of Staff, G-2, Third Army, Seventh Army, and Commanding Officer, SCI Detachment, Twelfth Army Group, "Activity Report for Week Ending 9 June 1945," 10 June 1945, in RG 226, OSS Records, Entry 108A, WASH-REG-INT-163, Box 287, [no folder listed], NARA. (U)

[53]Eric W. Timm, born in 1914, joined OSS in 1944 after having worked for several years as the FBI's chief of the sabotage section. He entered the Army in August 1944 with a direct commission as a first lieutenant. Following assignments in Washington and London, Timm became the liaison officer for the Third Army SCI Detachment in the spring of 1945. He returned to the United States in late 1945 and received his discharge from military service in early 1946.

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for Capt. Michaelis, who had been posted with X-2 in Munich.[54] OSS hoped eventually to use both men in intelligence operations.[55] Timm and Michaelis kept Nebel and Berthold busy with small assignments that summer.[56] As it turned out however, X-2 was unsuccessful in placing Nebel in the trucking business, and he continued to live with Berthold in Munich in September.[57] X-2 noted disappointingly that "great difficulties have been experienced in establishing JIGGER and OSTRICH under adequate business cover, and their intelligence activities have as a result been necessarily circumscribed."[58] With the departure of Capt. Michaelis from Munich in late October 1945 and directives from Washington to reduce the overall number of assets, both Nebel and Berthold were dropped. Capt. Timm determined that the two men required "too much attention, [and]

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[54]Twelfth Army Group SCI Detachment to Assistant Chiefs of Staff, G-2, Third Army, Seventh Army, and Commanding Officer, SCI Detachment, Twelfth Army Group, "Activity Report for Week Ending 16 June 1945," 18 June 1945, LMX-010-618, (S) and Capt. Michaelis to Commanding Officer, X-2/Germany, "Situation Report on Prospective Penetration Agents," 29 June 1945, LMX-002-629, (S), both in DO Records, [redacted], Box 3, Folder 21, CIA ARC. See also Lt. Edward R. Weismiller, Chief of Operations, X-2/Germany, to Chief, X-2/Germany, "Report of Agent Penetration Cases," 2 July 1945, LWX-002-702, (S), in DO Records, [redacted], Box 406, [no folder listed], CIA ARC. (S)

[55]Lt. Weismiller to SAINT, Washington, "Semi-Monthly Operation Report, SCI Munich," 3 August 1945, LWX-62, enclosing Capt. Timm to Commanding Officer, X-2/Germany, and G-2, CIB, Third Army, "Semi-Monthly Operation Report, SCI Munich," 1 August 1945, in RG 226, OSS Records, Entry 108A, WASH-REG-INT-163, Box 287, [no folder listed], NARA. (U)

[56]Lt. Weismiller to SAINT, Washington, "Semi-Monthly Operation Report, SCI Munich," 22 August 1945, LMX-010-815, (S), enclosing Capt. Timm to Commanding Officer, X-2/Germany and G-2, CIB, Third Army, "Semi-Monthly Operation Report SCI Munich," 15 August 1945, in DO Records, [redacted], Box 3, Folder 21, CIA ARC. (S)

[57]Capt. Timm to Commanding Officer, X-2/Germany and G-2, CIB, Third Army, "Semi-Monthly Operations Report, SCI Munich," 30 September 1945, G-TSX-3747, (S), in DO Records, [redacted] Box 3, Folder 21, CIA ARC. (S)

[58]X-2/Germany, "Progress Report on X-2 Penetration Cases Run in the American Occupation Zone in Germany, September 1945," 1 October 1945, LWX-010-1001, (S), in DO Records, [redacted], Box 1, Folder 14, CIA ARC. (S)

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service, and demand [ed] substantial payment for information which can be obtained from more stable sources."[59] (U)

American intelligence perhaps thought that this would be the last that it heard from Nebel. In fact, X-2 soon learned the extent to which Nebel had concealed his past from the Allies. In March 1946, Lt. Sidney H. Lenington, the deputy chief of X-2 in Germany, assigned Flight Officer Sherman D. Lamb to examine a Danish request for the extradition of an X-2 agent named Koehler for war crimes committed in Denmark.[60] Lenington provided Lamb with the following details:

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[59]Lt. Sidney H. Lennington, Deputy Chief, X-2/Germany, to SAINT, Washington, "Semi-Monthly Reports, SCI/Munich," 12 December 1945, LMX-005-1130, enclosing Capt. Timm to Commanding Officer, X-2/Germany and G-2, CIB, Third Army, "Semi-Monthly Operations Report SCI Munich," 31 October 1945, in RG 226, OSS Records, Entry 108A, WASH-REG-INT-163, Box 275, [no folder listed], NARA. (U)

[60]Sidney H. Lenington, born in 1912 to American missionaries in Brazil, entered the US Army as a private in 1943. He transferred to the OSS in early 1944 and served in Italy, France, and Germany where he received a direct commission as a second lieutenant in June 1945. Lenington remained overseas and became chief of X-2 in Germany in January 1946. Upon his discharge from the Army in mid-1946, Crosby Lewis, the chief of the German Mission, noted that "Lieutenant Lenington has had almost insuperable obstacles facing him in merely keeping the Headquarters office of X-2 Branch functioning. Despite no personnel and no assistance or direction from Washington, however, he has managed to carry out the operations of the Branch, ensuring the security of SI operations, and maintaining throughout an intelligence, imaginative, and cheerful attitude." ⊏

⊐ Sherman D. Lamb, born in Utah in 1924, joined the Army Air Force in 1943. After serving as a bomber pilot in Europe, Lamb joined the OSS as a pilot and air operations officer in the summer of 1945. By early 1946, Lamb was a liaison officer with the Strategic Services Unit in Germany. He left government service in mid-1947 to return to college. ⊏

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> Koehler was an early recruit by this organization and performed a series of missions behind German lines in addition to other missions carrying him well into the German Zone which proved of great usefulness to the Allied Command in the building up of the OB [Order of Battle] of the German army and the accumulation of general information on members of the German Intelligence Service.
>
> The information given by Koehler has subsequently proved entirely reliable, and the organization feels itself obligated to protect and aid him as much as possible in setting him up on a normal basis of living. For this reason we are very anxious to determine whether the charges made by the Danish Mission are substantiated by sufficient evidence so that any element of doubt as to Koehler's guilt is removed. At the time he was recruited there were rumors to the effect that he had been mixed up with some unsavory deal in Denmark, but the charges were never substantiated and we would be very loath to allow him to be transferred to Denmark to stand trial for some denunciation which had no basis of actual fact.[61] (U)

Lenington, however, emphasized that Lamb should verify the evidence collected by the investigators in Nuremberg and, "if Koehler is actually guilty, then we will not stand in the way of his being transferred to Denmark for trial." Lamb met with the Danish investigator and reported that the case "rests on evidence sufficiently convincing as to assure a death sentence."[62] (U)

In June, SSU's Bern Station transmitted a request for information on Nebel from the Swiss Federal Police. The German Mission responded with the news that Nebel had been arrested and would shortly be turned over to the Danish Government. "When War Crimes approached us initially on the matter of his extradition to Denmark," Lt. Sidney H. Lenington the deputy chief of X-2 in Germany wrote, "we felt ourselves obligated to

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[61]Lt. Lenington to Flight Officer Sherman D. Lamb, "Individual Wanted by International Military Tribunal," 12 March 1946, LWX-75, in RG 226, OSS Records, Entry 108A, WASH-REG-INT-163, Box 287, [no folder listed], NARA. (U)
[62]Ibid. (U)

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give him as much protection as possible due to the work performed by him while under our control. Since that time, however, the Danish Government has become increasingly insistent and has produced evidence which has made it impossible for us to block the extradition."[63] (S)

The Nebel case continued to distract American intelligence for the next two years, although there is no indication in existing records that the Strategic Services Unit, the Central Intelligence Group, or the Central Intelligence Agency ever reviewed the case to determine how Nebel had deceived the Allies as to his wartime background and hid his activities in Denmark. (S)

In January 1947, Brigadier C.D. Roberts of MI 6 approached Lt. Cdr. Winston M. Scott, CIG's representative in London, about Nebel's situation. Roberts informed Scott that the Danes now held Nebel for crimes that he had committed in Denmark while with RSHA Amt VI. "Although this man was undoubtedly a criminal thug and a wholehearted Nazi," Roberts admitted, "the fact remains that he gave us a considerable amount of information on the S.D. and worked loyally for the Allies at considerable danger to himself." The British proposed that the two Allies make a "discreet approach" to the Danes to inform them of the role that Nebel had played during the latter part of the war. Roberts declared, "We would make it clear that we have no wish to interfere with the course of Danish justice in dealing with crimes against the Danes in Danish territory at a time when Nebel was an out-and-out Amt VI man, as any charges of this nature

[63]SAINT, AMZON to SAINT, Bern, "Ludwig Nebel," 29 June 1946, LWX-528, (S), in DO Records, [redacted], Box 1, Folder 9, CIA ARC. (S)

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would no doubt be considered by them to be exclusively of a domestic Danish nature, but we would ask them to take into consideration his later good efforts on our behalf."[64] (S)

Scott sent an urgent cable to Washington outlining Nebel's situation and the British proposal.[65] Washington, in turn, informed the CIG representative in Copenhagen that it supported the British steps. "Maximum purpose of intercession," the Washington cable stated, "is saving his life, not reduction of sentence non-capital."[66] Scott then told Brig. Roberts on 3 February 1947 that "our Washington office is in complete agreement with your policy of intercession with Danish authorities in Nebel's behalf and has instructed our representative in Copenhagen to act accordingly."[67] (S)

Allied intercession soon became a sticky issue because the British and Americans in Copenhagen both reported that any "representation about Nebel would be resented by the Danish authorities." Nebel had been "loaned" to the Danes by the US Army in Germany to aid in their war crimes investigations, and thus the MI 6 and CIG representatives in Denmark argued that authorities in the American sector should make any queries about Nebel's fate.[68] The Danes were holding Nebel as the leader of the

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[64]C.D. Roberts to Lt. Cdr. Winston M. Scott, "Ludwig Nebel @Leo Neumann @OSTRICH," 28 January 1947, 183, (S), in Nebel, [redacted], DO Records. (S)

[65]Cable, [redacted] to Special Operations, 29 January 1947, [redacted] 1347, IN 47794, (S), in Nebel, [redacted], DO Records. (S)

[66]Cable, Washington to [redacted], 30 January 1947, Washington 5896, [no OUT number listed], (S), in Nebel, [redacted], DO Records. (S)

[67]Lt. Cdr. Scott to Brig. Roberts, "Ludwig Nebel @ OSTRICH," 3 February 1947, (S), in Nebel, [redacted] DO Records. (S)

[68]Cable, [redacted] to Washington, 7 February 1947, [redacted] 160, [no IN number listed], (S); note to [redacted], M.I.-5, 10 February 1947, in Nebel, [redacted] DO Records. In a subsequent message, Headquarters concurred with [redacted] recommendations that no action be taken in Denmark. See Cable, Washington to [redacted] 11 February 1947, Washington 6145, [no OUT number listed], (S), in Nebel, [redacted] DO Records. (S)

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German gang that had murdered Danish poet and religious leader Kaj Munk in 1944. Munk had died in the "clearing murders"–inspired by Heinrich Himmler and approved by Hitler–when the SS assassinated well-known Danes as well as many commoners in revenge for acts of resistance to the German occupation.[69] (S)

Nebel's case came up again in April 1947 when the German Mission cabled Washington to request an update. For the first time, American intelligence linked Nebel with Leo Kohler, the name of the man charged by the Danes. The German Mission specifically asked the Danish Mission to provide the latest information on the case.[70] Not until early January 1949 did ⊏ ⊐., the ⊏ ⊐ provide additional information about Nebel. ⊏ ⊐obtained letters from Nebel's Danish defense attorney to the British Legation in 1948, asking for British assistance in locating several American and British officers, including Capt. Michaelis, Capt. Timm, and Col. Rothschild, to verify that Nebel had been employed by the Allied "Secret Service." As of early 1949, the British had not answered the request.[71] According to ⊏ ⊐ "Kaj Munk, of whose murder [Nebel] is accused, has become a national

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[69]For further details on the Danish "clearing murders," see Whitney R. Harris, *Tyranny on Trial: The Trial of the Major German War Criminals at the End of World War II at Nuremberg, Germany, 1945-1946* (Dallas: Southern Methodist University Press, 1954, rev. ed. 1999), pp. 216-219. For a discussion of the war in Denmark, see Richard Petrow, *The Bitter Years: The Invasion and Occupation of Denmark and Norway April 1940-May 1945* (New York: William Murrow & Company, 1974). (U)

[70]Cable, Heidelberg to Washington, 11 April 1947, Heidelberg 399, IN 12293, (S), in Nebel, ⊏ ⊐, DO Records. (S)

[71] ⊏ ⊐ to Chief, Foreign Branch W, "Louis Nebel," 7 January 1949, WDC-A-164, (S), enclosing ⊏ ⊐ to the Legation of the British Empire, 3 April 1948 and 17 November 1948, in Nebel ⊏ ⊐DO Records. For further information on early US intelligence ⊏ ⊐

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martyr-hero. Emotion is connected with the very mention of his name. To take any stand on this matter for the defense of [Nebel] would in no way change the outcome of the [Nebel's] trial and would involve this organization's predecessor as well as the United States Government in rather unfavorable publicity." As a result, [redacted] stated that he planned to take no action in regard to Nebel unless otherwise directed by Washington.[72] (S)

The Danish Government sentenced Nebel to 12 years imprisonment with the right to appeal. OSS and its successors had not been "implicated" in the trial. Consequently, the [redacted] in Washington wrote [redacted] on 4 February 1949 to say that the Nebel case was closed as far as the CIA was concerned. "From available records it has been determined that, while subject was turned over to the Danes to stand trial for war crimes committed during the German occupation, he was given as much protection as possible because of his work while under the control of our predecessor organization." [redacted] noted that the Central Intelligence Group in 1947 had considered interceding on Nebel's behalf to save his life, but later decided that such a move was inadvisable. "This viewpoint," noted [redacted] 'has not changed in the past two years." Nebel's light sentence further persuaded CIA to take no action in his case.[73] Nebel, whose name in German means "fog," appears to have masked his wartime actions until his past finally caught up with him. (S)

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[72]Ibid. (S)
[73]Chief, FBW, to [redacted] "Louis Nebel," 4 February 1949, WDC-W-336, (S), in Nebel, [redacted], DO Records. (S)

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Chapter Three

Persons From All Spheres of Influence (U)

Germany became the scene of intense competition between East and West as the Cold War heated up.[1] While Berlin was the epicenter of this struggle, many of the Central Intelligence Agency's earliest operations in Germany originated in Munich, the birthplace of Nazism. The city's proximity to both Austria and Czechoslovakia transformed the city into a crossroads for Europe's refugees in the wake of Hitler's *Gotterdammerung* and a center of postwar intelligence operations. (U)

American occupation officials had sole responsibility for Munich, the largest city in the US zone after the four allies divided Germany in 1945. The city's location minimized direct contact with the Russians or, for that matter, with the British and the French as well. Consequently, US intelligence agencies faced fewer obstacles from competing Allied and Soviet intelligence services and preferred Munich for unilateral

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[1]The literature on the American role in Germany after World War II is extensive. For example, see Douglas Botting, *From the Ruins of the Reich: Germany 1945-1949* (New York: Crown Publishers, 1985); Earl F. Ziemke, *The US Army in the Occupation of Germany 1944-1946* (Washington, DC: US Army Center of Military History, 1975); and Harold Zink, *The United States in Germany 1944-1955* (Princeton: D. Van Nostrand, 1957). (U)

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operations. Intelligence collection and operation, however, was still split among several US civilian and military organizations. In addition, American intelligence in Germany was in a state of flux as the United States demobilized its military forces after World War II and debated the merits of creating a peacetime, civilian-controlled central intelligence structure. (U)

Life in Munich in the years after the war was a struggle. Between 1940 and 1945, Munich had been the target of some 70 Allied air raids, which dropped over 60,000 bombs and 3.5 million incendiary devices. Of the city's prewar population of 820,000, some 6,000 men, women, and children had died during the war and 15,000 had suffered injuries. Another 18,000 residents of Munich had lost their lives as members of the German armed forces, while 12,000 were still listed as missing. The city's physical structure was heavily damaged by the bombings; 97 percent of Munich's buildings, including many of its architectural wonders, sustained damage. The Americans used many of the buildings not damaged by the air raids—including the *Neues Rathaus* and the *Haus der Deutschen Kunst*— as headquarters, clubs, or billets.[2] (U)

With the disbandment of the OSS in the fall of 1945, the Strategic Services Unit focused on two missions in Germany. This chapter examines the activities of Secret Intelligence (SI) and Counterespionage (X-2), and their successor units in Munich, from the Nazi surrender in May 1945 until mid-1947. The transition from declared war with a

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[2]Brian Deming and Ted Iliff, *Hitler and Munich: A Historical Guide to the Sights and Addresses Important to Adolf Hitler, His Followers and His Victims* (Berchtesgaden: Verlag Anton Plank,

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known enemy to the murkiness of the underground war between East and West rapidly took shape. In this new conflict, yesterday's foe became today's friend in Munich. (U)

SI's New Missions (U)

Secret Intelligence played a leading role in OSS operations in the European Theater during the last months of the war. Tasked with the collection of information on Nazi Germany's order of battle, its economic potential, the development of new weapons, and the assessment of the chimerical anti-Nazi resistance, SI launched over 100 intelligence missions behind German lines in 1944 and 1945.[3] (U)

In June 1945, SI Bern station chief Allen W. Dulles established the new OSS German Mission in Biebrich, near Wiesbaden. Secret Intelligence, a part of the German Mission under the direction of US Navy Cdr. Frank Wisner was put to work, developing new networks of agents to penetrate selected targets. Wisner targeted the remnants of the Nazi military, political, and security structures; Germany's industrial, economic, and scientific elements; the defeated enemy's social, religious, cultural, and educational

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n.d.), pp. 93-97. See also Landeshauptstadt Munich, *Munchener Nachkriegsjahre 1945....1946....1947....1948....1949....1950....*(Munich: Buchendorfer Verlag, 1997). (U)

[3]For a description of SI's operations against Germany, [redacted], Clandestine Services Historical Program [redacted] See also Joseph E. Persico, *Piercing the Reich: The Penetration of Nazi Germany by OSS Agents during World War II* (London: Michael Joseph, Ltd., 1979). The most recent examination of OSS's role in the fight against Nazi Germany is

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hierarchies; and evidence useful to the investigations of Nazi war crimes.[4] He noted in June 1945 that it was "becoming increasingly apparent that the American authorities in Amzon [the American zone] consider the most useful activity of OSS in Germany to be that of keeping them informed of conditions and developments in adjoining areas not accessible to the other official information and intelligence agencies."[5] (S)

The new OSS/SI organization in Germany consisted of a Steering Division and a Production Division. The former, run by Army Capt. Harry Rositzke, built upon lessons learned by SI while in London during the war and maintained liaison with all American organizations in Germany to identify intelligence requirements. The Steering Division also established contacts with German civilian organizations, such as labor and church groups. It processed positive intelligence reporting from various sources and ran requirements, liaison, and distribution services.[6] (S)

SI's Production Division recruited agents to meet the requirements of the Steering Division. It had Production Units, or "P Units," scattered throughout Western Europe and the American Zone of Germany.[7] By mid-September 1945, SI/Germany had some 120 civilian and military personnel assigned to the OSS German headquarters and in "P

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found in Christof Mauch, *Schatten-Krieg Gegen Hitler: Das Dritte Reich im Visier der amerikanischen Geheimdienste 1941 bis 1945* (Stuttgart: Deutsche Verlags-Anstalt, 1999). (S)

[4]For a discussion of the OSS role at Nuremberg trials, see Michael Salter, "The Prosecution of Nazi War Criminals and the OSS: The Need for a New Research Agenda," *The Journal of Intelligence History* (Vol. 2, No. 1, Summer 2002), pp. 77-119. (U)

[5]Frank G. Wisner to W.H. Shepardson, S.B.L. Penrose, and Walter Langsam, "Miscellaneous Operational Matters – SI Germany," 16 July 1945, L-002-716, (S), in DO Records, [redacted] Box 2, Folder 20, CIA ARC. (S)

[6][redacted] pp. 93-96. (S)

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Units" in Berlin, Bremen, Heidelberg, Kassel, Munich, Nuremberg, and Regensburg as well as smaller units in non-German missions, such as Oslo and Prague. The "P Units" were generally referred to by their British county codename; for example, the Munich "P Unit" was called "Northampton" while Berlin had two separate SI missions known as "Wiltshire" and "Cambridge." In addition to SI's regular missions, the Production Division also controlled the "Crown Jewels," Dulles's collection of high-level agents who returned to Germany from Switzerland after the Nazi surrender.[8] In September 1945, Wisner ordered the "P Units" to target the Soviets in their zone in Germany as well as German Communism Party activities in the Western Allied occupation zones. In the meantime, SI continued to monitor German political activities in the American zone. (S)

SI Operations in Munich (U)

SI's activities in Munich fell short of expectations, and it had a brief existence. Commanded by Maj. John L. Caskey, an archeologist from the University of Cincinnati who had previously served with SI in Turkey, SI/Munich collected mostly low-level,

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[7]Ibid, pp. 96-97. (S)

[8]The names and locations of SI personnel in Germany is found in Rolfe Kingsley to Shepardson, "Personnel Roster of SI/Germany as of 15 September 1945," (S), in DO Records, [redacted] Box 2, Folder 20, CIA ARC. Dulles recruited some 40 "Crown Jewels" during the war from his base in Switzerland, and they continued to serve as intelligence sources in Germany after 1945. Prominent German citizens, the Crown Jewels sometimes created additional handling problems for OSS and its successor intelligence agencies. As late as 1970, one of the Crown Jewels still provided information to CIA. [redacted]

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open-source information on Bavarian political affairs.[9] In July 1945, SI/Munich produced 75 reports, but the SI's Steering Division disseminated only 12 of them. Capt. Rositzke commented that the Northampton reports were "mainly of CIC [Counter Intelligence Corps] or MG [Military Government] rather than SI interest." In fairness, Rositzke recognized, "a greater proportion of P-unit intelligence has thus far been of a kind normally obtainable by overt means; but the full value of coverage by agents stably and permanently placed in the German community has not been achieved by any [other] unit."[10] (S)

SI's coverage of Bavarian regional affairs remained less than satisfactory throughout the summer of 1945. In his report for the month of August, Rositzke observed, "the Munich unit is not yet providing even semi-adequate coverage of the priority targets in its area."[11] The outlook continued to be unimpressive for the remainder of the year. In early January 1946, the German Mission complained that SI's

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[9]John Langdon Caskey was born in 1908 in Boston and graduated from Yale University in 1931. He received his Ph.D. from the University of Cincinnati in 1939 and worked on excavations in Troy. After the war, Caskey taught at the University of Cincinnati and served as the university's head of the Department of Classics during 1959-72. He supervised archeological digs at several sites in Greece and served as director of the American School of Classical Studies in Athens during 1949-59. Caskey retired from active teaching in 1979 and died in December 1981. Obituary, "John Langdon Caskey, Professor of Archeology," *New York Times*, 8 December 1981, p. D31. (U)

[10]Rositzke to Wisner, "Monthly Report of Steering Division, SI/Germany," 2 August 1945, L-010-731, (S), in DO Records, [redacted], Box 2, Folder 19, CIA ARC. (S)

[11]Rositze to Wisner, "Monthly Report of the Steering Division, SI/Germany," 5 September 1945, L-038-905, (S), in DO Records, [redacted] Box 2, Folder 19, CIA ARC. (S)

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coverage of the Social Democratic Party and the German Communism Party in Munich was "still semi-overt, gossipy, and unimportant."[12] (S)

SI confronted several administrative problems that limited its ability to collect intelligence in Munich. Primarily, Maj. Caskey and three officers had little time for intelligence operations because of their cover mission with the Office of Military Government for Bavaria (OMGB).[13] While Maj. Caskey spent most of his time as OMGB's Chief Intelligence Officer, his assistant, Lt. Calhoun C. Ancrum served as the Military Government's Public Relations Officer. Wisner quipped that Caskey's detachment was doing a "more valuable job for Military Government as such than for ourselves." [14] (S)

Wisner, however, added that SI's Military Government cover had some benefits because Caskey and his officers were "very much in the middle of things in a very important political arena and enables them to have almost unlimited contacts with the most knowledgeable and important Germans in Bavaria."[15] Wisner's successor as the head of SI in Germany, Maj. Gordon Stewart, however, disagreed with this assessment in

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[12]Hugh T. Cunningham to Commanding Officer, SSU/WD Mission to Germany, "Progress Report, January 1946," 11 February 1946, L-010-131, (S), in DO Records, [redacted], Box 3, Folder 43, CIA ARC. (S)

[13]Wisner to Shepardson, Penrose, and Lt. Col. Howard M. Chapin, "SI Personnel and Operations in the American Zone, Germany and Denmark; Present Status and Proposals for Near-term Future," 6 December 1945, L-002-1206, (S), in DO Records, [redacted], Box 2, Folder 20, CIA ARC. For a detailed description of the Office of Military Government for Bavaria (OMGB), see Christoph Weisz, ed., *OMGUS-Handbuch: Die amerikanische Militarregierung in Deutschland 1945-1949* (Munchen: R. Oldenbourg Verlag, 1995), pp. 145-315. (S)

[14]Ibid. (S)

[15]Ibid. (S)

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January 1946. Stewart felt that SI's Military Government role in Munich "resulted in Major Caskey's concentration on semi-overt political intelligence" and "double-checking political gossip."[16] (S)

In March 1946, Stewart released Maj. Caskey to the Army for direct assignment with the Military Government or discharge to return to civilian life. "I decided," Stewart wrote to Washington, "to discontinue the Munich operation where the energies of some of our best personnel have been spent on cover work."[17] Like many other SSU operations, SI/Munich was in the midst of the Army's postwar demobilization. Caught between its clandestine mission and its cover role with the Military Government, SI/Munich never developed its resources to provide broad intelligence coverage. (S)

An Influx of Staggering Proportions (U)

X-2 in Munich had greater influence and more longlasting impact than its SI counterpart. Capt. Eric W. Timm, who transferred to the OSS in 1944 from the Federal Bureau of Investigation, established the SCI Detachment in Munich and commanded the

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[16]Maj. Gordon M. Stewart to Shepardson, Penrose, and Maj. Hans Tofte, "Survey of SI-AMZON," 18 January 1946, L-002-118, (S), in DO Records, [redacted] Box 2, Folder 20, CIA ARC. (S)

[17]Stewart to Penrose, Helms, and Rositzke, "SI, Germany," 30 March 1946, G-SITS-781, (S), in DO Records, [redacted] Box 2, Folder 19, CIA ARC. (S)

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detachment until his demobilization in November 1945.[18] Despite constant turnover in unit personnel, Timm turned his attention to the new demands of a chaotic, postwar world–a world marked by shifting alliances and desperate struggles for survival in the rubble of what had been one of Germany's loveliest cities. (U)

At the end of the war, the OSS shifted to new missions in Germany with a strong emphasis on counterintelligence, as opposed to positive intelligence. The gathering of evidence for war crimes trials of Nazi officials, the rounding up of members of Nazi underground movements in Germany, and the recovery of gold and art looted by the Germans throughout Europe, all required OSS personnel and resources.[19] During this hectic period, individual Germans scurried to broker deals with their conquerers. In its monthly progress report for May 1945, X-2/Germany reported that "thousands of Germans, having various degrees of counter-espionage interest, were either arrested or processed through military channels in the three weeks following the end of the war. Every effort," X-2 commented, "has been made to exploit to the fullest these German Intelligence Service personalities, although the influx has been of staggering

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[18]X-2 had its headquarters in Munich at 5 Heilman Strasse next to the main OSS billets at 1 Heilman Strasse. OSS had three separate units in Munich in 1945: Timm's X-2 detachment; Caskey's P Unit; and the OSS Munich headquarters element. (U)

[19]Secretariat, Strategic Services Unit, "The Office of Strategic Services on VE Day - VJ Day," 11 March 1946, (S), in CIA History Staff Records, [ ], Box 36, CIA ARC. For information concerning a joint project between OSS and the Army's Counter Intelligence Corps involving the penetration of underground SS organizations immediately after the war, see files on the "Danube" and "Elsa" operations in DO Records, [ ], Box 4, Folder 59, CIA ARC (S). See also X-2, SCI, Seventh Army to SAINT, Washington, 20 September 1945, LWX-002-920, 9S), enclosing Charles Flickinger, 307th CIC Detachment, to Officer in Charge, "The

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proportions." A month later, X-2 observed that "there have been surprising offers on the part of former *Abwehr* and SD members to turn over to the Allies networks of agents, but most probably all offers were made either to ingratiate these men with the American authorities in order to gain support for purely selfish motives (Austrian Nationalists in one case) or to embroil us with the Russians."[20] (S)

In a single week in June 1945, Capt. Timm noted that X-2 in Munich had arrested 15 German intelligence officers and agents.[21] Timm wanted to use former GIS [German Intelligence Service] officers and enlisted men to uncover German efforts to resist the Allies. Consequently, X-2 in Munich and elsewhere concentrated on the recruitment of German intelligence officers and agents to work for the Americans as agents and informants. "It has been for sometime apparent," he wrote in August 1945, "that a well-balanced network of counterintelligence and counterespionage agents must include persons from all spheres of activity." Timm observed that "the implementation of the penetration agent program wherein the use of former GIS personalities is contemplated remains of critical importance." With the concerns of a resurgent Nazi party in mind, Capt. Timm commented, "such persons are of importance because they are in a position

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DANUBE Affair," 20 September 1945, in DO Records, [redacted], Box 1, Folder 14, CIA ARC. (S)

[20]X-2 Branch, OSS Mission Germany to Secretariat, "Monthly Progress Report - X-2 Branch - May 1945," 14 June 1945, LSX-010-614, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 276, (no folder listed), NARA. (U)

[21]Capt. Timm, SCI Liaison Officer, Third Army, to Assistant Chiefs of Staff, G-2, Third Army, Seventh Army, and Commanding Officer, SCI Detachment, Twelfth Army Group, "Activity Report for the Week Ending 9 June 1945," 10 June 1945, LWX-4, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 287, (no folder listed), NARA. (U)

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to recognize other GIS personalities and are logical contacts for any illegal or resistance group."[22] (S)

By late August, Timm had recruited 13 agents to work for him, with another dozen under active consideration.[23] He was frustrated, however, by X-2's lack of manpower and a breakdown in the process to vet new agents.[24] Timm also encountered problems in getting his agents approved by the Military Government in Bavaria; restrictions on the employment of Nazi party members and German military personnel handicapped his recruitments.[25] As early as June, the German Mission's X-2 observed that "in the absence of any well-defined policy concerning the direction in which

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[22]X-2 Branch, OSS Mission to Germany to SAINT, "Semi-Monthly Operation Report, SCI Munich," 22 August 1945, LMX-010-815, (S), enclosing SCI Detachment, Munich to Commanding Officer, OSS/X-2 Germany, "Semi-Monthly Operation Report SCI Munich," 15 August 1945, (S), DO Records, [redacted], Box 3, Folder 21, CIA ARC. (S)

[23]SCI Detachment, Munich to Commanding Officer, OSS/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 31 August 1945, G-TSX-2891, (S), in DO Records [redacted], Box 3, Folder 21, CIA ARC. (S)

[24]For a discussion of the immense load that OSS faced to vet new agents, primarily Germans, in the summer of 1945, see 1st Lt. Richard W. Cutler, Vetting Officer, to Lt. Col. Berding, Chief, X-2/OSS, Germany, "Review of Vetting Operations, Germany – 8 June 1945 to 18 July 1945," 18 July 1945, LWX-002-718, (S); Cutler, OSS/Germany, to Wilma Taber, SAINT, London, "Coordination of Vetting Records in Europe," 28 July 1945, LWX-002-728, (S); AB-16 [Cutler] to SAINT, Washington, "List of Vetting Cases Outstanding as of 27 August 1945," LWX-002-827, (S); Cutler to Lt. Cdr. Richard M. Helms, SI/Production, "Summary of Preliminary Vetting," 4 September 1945, XARZ-24819, (S); and AB-16 [Cutler] to SAINT, Washington, "Current Vetting Requests Outstanding," 13 September 1945, LWX-002-9138, (S). All documents, except the 4 September 1945 memo to Helms from Cutler, are located in DO Records, [redacted], Box 406, [no folder listed], CIA ARC. The 4 September 1945 memo is located in DO Records, [redacted], Box 1, Folder 7, CIA ARC. (S)

[25]Timm, for example had to turn down an offer from CIC to run an operation against an underground Hitler Youth faction in Bavaria. This project, known as NURSERY, resulted in the apprehension of Artur Axmann, the head of the Hitler Youth. (U)

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American interests are to be pointed, aggressive exploitation [of German intelligence personnel] has been somewhat stifled.[26] (U)

By the end of the summer, the lack of official policy posed a serious constraint to Timm's plans in Munich as he pointed out to his superiors:

> Numerous difficulties are being experienced in the actual implementation of our program for recruiting and placing agents who were formerly members of the GIS or other proscribed categories. Our primary interest in handling these people has been to place them in positions of strategic importance so that they could be in a position to obtain valuable information to observe trends and possible underground activity, and to be self-supporting, as our budget does not allow us to pay these people salaries. It is also realized that any person with no apparent means of support could at best be a short term agent.
>
> Realizing this fact we have for some time centered our contacts with Military Government in this area, and were originally led to believe that the officers in charge were cognisant [sic] of the problem involved, the essential value of intelligence operations of the kind being conducted by SCI, and we were promised active cooperation. However, in each instance, when we proposed some specific individual there has always been a directive in existence which bars our man from employment by Military Government. Even though we have offered to submit a letter assuming full responsibility in the case, we have not been able to obtain employment for such persons.
>
> The proscribed list of persons has now grown so large that no former member of the Nazi Party or Army officer, to say nothing of GIS personnel, can be hired. We, of course, realize the desirability of such restrictions, but we do feel that the blind adherence to a general policy without discretion on the part of Military Government in this area is potentially dangerous. It is creating a huge segment of society which has no hope of rehabilitation, and is driving the Army and the Nazi party into each other's arms. However, it is not our function to comment upon the

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[26]X-2 Branch, OSS Mission Germany to Secretariat, "Monthly Progress Report – X-2 Branch – May 1945," 14 June 1945, LSX-010-614, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 276, [no folder listed], NARA. (U)

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overall policy. All we are interested in is the application of this policy as it affects the operations of this unit.[27] (S)

A Shifting Focus (U)

Uncertainty in Washington as to the future of the Office of Strategic Services complicated intelligence work in Germany. President Harry Truman, in fact, disbanded the Office of Strategic Services on 30 September 1945, a few weeks after Japan's surrender. He divided its various functions between the State and War Departments, with the latter gaining SI and X-2 in the form of a new Strategic Services Unit.[28] The effect of

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[27] SCI Detachment, Munich to Commanding Officer, OSS/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 31 August 1945, G-TSX-2891, (S), DO Records, [redacted], Box 3, Folder 21, CIA ARC. X-2 headquarters, in turn, raised the issue of treatment of former GIS personnel who had assisted the Americans. See Lt. Col. Berding to Chief, Counter Intelligence Branch, USFET, "Treatment of GIS Personnel," 13 August 1945, LWX-002-813, (S), in DO Records, [redacted], Box 406, [no folder listed], CIA ARC. In a vetting request from Germany, a X-2 officer appealed to Headquarters to pursue requests to vet Germans, including one who "appears to be an unmitigated stinker." This officer noted, "Whatever rumors may circulate as to the duration of this organization, both branches [SI and X-2] will continue to recruit agents here at this mission for two reasons. First, they feel it particularly desirable to leave any possible successors with a well-established network of operatives. Second, much can be produced with agents now being recruited – even during the next few months. Since those months are to be critical ones for American policy in Germany, SI is anxious to do a good job getting information for American policy makers. So, please don't feel that the vet requests which we forward to you are academic. The men are being and will continue to be used. Some will occupy extremely important positions in German life and government for years to come. This is not a dream. It is already happening." AB-16 [identity unknown] to SAINT, Washington, "Vetting of Heinz Karl Hermann Krull for SAINT," 7 September 1945, LWX-002-97b, (S), in DO Records, [redacted] Box 406, [no folder listed], CIA ARC. (S)

[28] [redacted] *The Central Intelligence Agency: The First Thirty Years 1947-77* (Washington, DC: CIA History Staff, 1990), p. 10 (S). For additional information on SSU, see [redacted], "Salvage and Liquidation: The Creation of the Central Intelligence Group," *Studies in Intelligence* 39 (Fall 1995), pp. 49-57. (S)

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Truman's action became apparent in Munich and threw into doubt many of the SCI Detachment's efforts. Capt. Timm glumly reported:

> In view of the impending administrative dissolution of OSS, and the resultant uncertainty of the identity or nature of the successor organization it is difficult to formulate operational plans for the future at this time. Numerous contacts have been made by the Munich Detachment who are in favorable positions to assume a preeminent position in Bavarian life. Some will do so without assistance from the Americans in general or this detachment in particular. Others have been aided in some fashion to facilitate their obtaining passes, etc. At the present time the unsettled political, social and economic conditions which are a necessary result of the occupation make it impossible to anticipate specific developments. It is therefore difficult to formulate accurately a plan of definite future action for any of these people.[29] (S)

Changes in Washington coincided with a reexamination of American intelligence targets and operations within Germany itself.[30] As late as September, X-2 had been ordered by US Forces European Theater (USFET), the senior Army headquarters in Germany, to mount an "intensive program of penetration of potential German intelligence or subversive organizations."[31] In October, however, SSU headquarters near Wiesbaden

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[29]SCI Detachment, Munich to Commanding Officer, OSS/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 30 September 1945, G-TSX-3747, (S), in DO Records, [redacted] Box 3, Folder 21, CIA ARC. (S)

[30]For example, in September, Lt. Col. William G. Suhling, Jr., the deputy of the German Mission, outlined his proposal to dissolve OSS's presence in Germany. Likewise, Cdr. Wisner, chief of SI in Germany, recommended that SI and X-2 merge because of the blurring of their intelligence missions and the need to conserve manpower and resources. [redacted]

[31]Maj. Thomas F. Purner, Jr., OSS/X-2 Germany, to See Distribution, 10 September 1945, LWX-003-910, (U), enclosing USFET, "OSS/SCI Personnel and Facilities," 21 August 1945, in

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ordered X-2 in Munich to reevaluate its agents for long-term productivity. In the light of X-2's growing personnel shortages (the branch had dropped to 79 staff members by the time of OSS's disbandment), SSU wanted to focus political groups in Germany (including the Communist Party) because Nazi resistance to the Allied occupation had failed to materialize. As a result, Capt. Timm reviewed his crop of 31 agents and decided to retain only eight assets; the remainder were placed in an "inactive status," and some transferred to CIC control.[32] (U)

Following a conference in Wiesbaden to discuss future SSU projects in Germany that November, X-2 received orders to abandon efforts against German intelligence organizations and the Nazi underground.[33] SSU shifted its efforts to collect information on personnel, activities, and goals of all foreign intelligence services, with particular emphasis on the Soviet Union. "It was, therefore, decided," Timm wrote,

> ...that SCI would serve the future CIA [the projected, but not yet formed Central Intelligence Agency] best by limiting its

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WASH-REG-INT-163, OSS Records, RG 226, Entry 108A, Box 287, (no folder listed), NARA. (U)

[32]Lt. Sidney H. Lenington, Deputy Chief, SSU/X-2, Germany to SAINT, Washington, "Semi-Monthly Reports," 12 December 1945, LMX-005-1130, enclosing Timm to Commanding Officer, SSU/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 31 October 1945, LMX-005-1130, in WASH-REG-INT-163, RG 226, Entry 108A, Box 275, (no folder listed), NARA. (U)

[33]As early as 27 September 1945, OSS field stations received the following directive: "The conversion of this agency from a wartime to a peacetime basis brings with it a shift in emphasis in counterespionage targets. No longer are the German and Japanese Intelligence Services the focal point of our attention. Instead, all foreign intelligence services, and personnel connected thereto, now become the legitimate object of observation and study for this Branch." JJ1 to All Field Stations, 27 September 1945, X010-927, (S), in DO Records, [redacted], Box 1, Folder 9, CIA ARC. (S)

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> primary targets to the gathering of information on personnel, activities, and objectives of all intelligence services. This will enable a CIA to have at its disposal central records of a world-wide nature concerning the various groups which come within this purview.[34] (U)

Two Distinct Operations Are Being Developed (U)

While X-2 in Germany shifted its focus to the Soviet Union, the new Central Intelligence Group–formed in Washington in January 1946–made plans to absorb SSU's field elements and provide new guidance on operational targets.[35] X-2 became CIG's new Security Control (SC) group while the Foreign Reports (FR) group assumed the functions of SI. The Central Intelligence Group soon formed the Office of Special Operations (OSO) in July 1946 to handle both the collection of foreign intelligence and counterintelligence work. CIG sorted SSU's field stations into geographic teams at headquarters within OSO; consequently, the German Mission fell under Foreign Branch M. Richard Helms, who had served with SI in Germany, was named the Branch's acting chief.[36] The changes in Washington eventually provided the German Mission with new

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[34]Lt. Sidney H. Lenington, Deputy Chief, SSU/X-2, Germany to SAINT, Washington, "Semi-Monthly Reports," 12 December 1945, LMX-005-1130, enclosing Timm to Commanding Officer, SSU/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 15 November 1945, LMX-005-1130, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 275, (no folder listed), NARA. (U)

[35]Ten months later, CIG absorbed SSU's overseas personnel in October 1946. (U)

[36]Cable, Washington to AMZON, Vienna, Bern, 18 June 1946, Washington 1147, (S), in DO Records, [redacted], Box 1, [no folder listed], CIA ARC. (S)

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personnel and a renewed sense of direction.[37] But change was slow in coming. Between October 1945 and September 1946, X-2 in Germany had dropped from 19 officers and 56 enlisted men and civilians to less than 20 personnel.[38] (S)

In November 1945, Capt. Timm had rotated to the United States, leaving Sgt. Boleslav A. Holtsman as X-2's lone representative in Munich.[39] In a summary of his duties in January 1946, Holtsman estimated that he spent some 40 percent of his time in the "recruiting, training, and running of penetration agents, particularly those in a position to watch or enter the Russian service operating in Bavaria." His other major task consisted of interrogating German intelligence personnel, "particularly their counter-intelligence officers concerning the organization and activities of foreign intelligence services, particularly Russian and location of German files pertaining thereto." In

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[37]For example, SSU's field stations in July 1946 received guidance for the priority collection of intelligence. See SAINT to SAINT, Brussels, [no title], 16 August 1946, XA-333, (S), in DO Records, Job 91-01046R, Box 1, Folder 10, CIA ARC. (S)

[38]Lewis to Helms, Acting Chief, Foreign Branch M, "Security Control Group, Amzon Mission," 3 September 1946, L-002-903, (S), in DO Records, Job 79-00332A, Box 368, Folder 3, CIA ARC. (S)

[39]Born in Detroit in 1912 of Polish parents, "Bill" Holtsman spent his childhood years in Poland. He returned to the United States in 1931 to attend college and was ordained as a minister in the Lutheran Church. He entered the Army in 1942 and served as a translator and later as a case officer with OSS in Europe until his discharge in early 1946. He received an appointment as Intelligence Officer with SSU/X-2 in March 1946

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addition, Holtsman mingled in "German political and intellectual circles to keep abreast as to the latest local developments which might lead to foreign agents."[40] (S)

The next month, in December 1945, Maj. Crosby Lewis, the new X-2 chief at the German Mission, reported that he had held talks with USFET's Counter Intelligence Branch (CIB) in the Office of the Director of Intelligence.[41] CIB wanted to separate X-2 from the German Mission and merge its projects and files with those of the Army's. In essence, X-2 would cease to exist as an counterintelligence organization within SSU in Germany. Maj. Lewis refused to agree to this arrangement, but he agreed that X-2 would terminate the bulk of its cases in the American Zone and turn these over to the Army's Counter Intelligence Corps.[42] Brig. Gen. Edwin L. Sibert, USFET's G-2 or intelligence chief, ordered X-2 in early January 1946 to relinquish many of its counterintelligence activities to the Army. Sibert cited SSU's manpower shortage and the need for better coordination between the various intelligence agencies in the American Zone as his

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[40]Holtsman, OSS Position Description Survey Form, 3 January 1946, in Holtsman, Personnel file. (S)

[41]Lewis, born in 1916, graduated from Haverford College in 1939. He enlisted in the Canadian Army in 1940 and served with that military until his transfer to the US Army in 1942. Lewis received his commission in 1943 and commanded the 202nd CIC Detachment in North Africa, Sicily, and Italy during 1943-45. He joined SSU in September 1945 as the German Mission's X-2 chief and became the chief of SSU's German Mission in January 1946

[42]Lewis to Secretariat, "Monthly Progress Report, X-2 Branch, November 1945," LX-012-1212, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 288, [no folder listed], NARA. (U)

reasons for this decision. He directed X-2 to concentrate on counterintelligence activities outside of the American zone of occupation, with particular emphasis on the Russian intelligence services. "Two distinct operations are being developed," according to Sidney H. Lenington, X-2's acting chief in Germany during the absence of Crosby Lewis in February 1946. The "accumulation, appraisal and study of documents prepared by the German I.S. on Russian intelligence efforts on the Eastern Front during the war[,] and counter-intelligence operations actively in progress . . . designed to gather all possible information on present personnel and techniques of the RIS."[43] (S)

A Top Target for Espionage Activities (U)

The changes in Washington gradually affected intelligence collection in Munich. For much of the interim period, Holtsman found himself simply trying to keep X-2's office in Munich and maintaining contact with other American agencies in Bavaria. He did not receive much direction from either the German Mission or from Headquarters in Washington. In fact, Holtsman had been informed in early 1946 that his office would close and that he would join the Mission in Heidelberg. Likewise, it wasn't until March 1946 that Holtsman finally learned that "our objective is the SIS" [Soviet intelligence

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[43]SAINT, AMZON to SAINT, Washington, "X-2 Operations Report for Month of January, 1946," 25 February 1946, LWX-TS-8, (S), in DO Records, [redacted], Box 1, Folder 13, CIA ARC. (S)

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services] and that "the GIS [German intelligence services] was liquidated and is to cease to figure in our consideration."[44] (S)

Despite these difficulties, Holtsman still produced over 350 intelligence reports in nine months. The arrival of new personnel in Munich allowed Holtsman to expand his coverage and to spread his work load. George N. Belic, a US Navy officer who had served in Rumania and Turkey during the war, joined SSU in March 1946 and was posted to Munich in May. A native of Russia, Belic took over several of the Russian cases in Munich while Holtsman, who spoke Polish and Ukrainian, concentrated on other projects. Belic's most important case was the debriefing of Anatoli Granovsky, a Soviet defector codenamed SAILOR. Granovsky, the first major defector for SSU and CIG in Germany, jumped a Soviet ship in Sweden and smuggled into the American zone from Denmark in the fall of 1946.[45] Two other officers, Toivo Rosvall and Capt. Bengt C. Herder, also arrived in Munich in 1946 and early 1947, respectively.[46] (S)

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[44]SAINT, AMZON to SAINT, Washington, "Review of Activity since 10 December 1945 to 10 September 1946," 17 September 1946, (S), enclosing AB-43, Munich [Holtsman] to AB-51, AMZON [Hecksher], "Review of Activity since 10 December 1945 to 10 September 1946," 10 September 1946, L-010-910, (S), in DO Records, ⌐ ¬ Box 1, Folder 14, CIA ARC. (S)

[45]See Anatoli M. Granovsky, *I was an NKVD Agent; A Top Soviet Spy Tells His Story* (New York: Devin-Adair, 1962). Belic's role in the SAILOR project is discussed in Murphy et al, *Battleground Berlin*, pp. 20 and 458. For additional information, see Anatoli Granovsky, ⌐ ¬ DO Records. (S)

[46]Belic, who shortened his name from Belicovitch in 1938, was born in Odessa, Russia, in 1911, the son of a colonel in the Imperial Russian Army. Belic moved to the United States in the 1920s and graduated from Georgetown University in 1936. After joining SSU ⌐

¬ Toivo Rosvall, born in 1913, graduated from Clark University in 1934. A teacher and author before the war, Rosvall served in the US Army during the war. He joined SSU in February 1946 and reported to Germany in the spring. ⌐ ¬

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Between 1945 and early 1947, [ ] built an extensive network of contacts "to keep informed on CI matters in Munich." Under [ ] direction, the intelligence post in Munich recruited or handled 129 agents, of whom the Americans still maintained contact with 39 in March 1947. The contacts came from all walks of life and nationalities with the bulk drawn from the ranks of Nazi intelligence organizations or Eastern or Southern European collaborators of the Third Reich. Munich's contacts were far-ranging and diverse, reflecting a growing need for intelligence in the chaotic conditions in postwar Germany.[47] Cases worked by these early CIA officers in Munich illustrate the shifting bureaucratic concerns during this uncertain period. (S)

[ ] Bengt C. Herder joined OSS in May 1945 in London after serving as an Army officer. Born in Sweden in 1920, Herder lived in Wisconsin at the outbreak of the war and spoke five languages. He entered the US Army in 1942 and was commissioned the following year. After serving briefly with OSS, Lt. Herder returned to the United States to serve at Army G-2 headquarters. He then joined SSU in February 1946 for assignment to Germany. [

[47]For listings of SC Munich's contacts, see SC, AMZON to FBM, for SC, Washington, "Present Contacts of SC, Munich,"(true names), 24 March 1947, FSRO-1535, (S); Chief, SCB, AMZON to FBM, for SC, "Present Contacts of SC Munich," (cryptonyms), 19 March 1947, HSC/OPS/34, FSRO-1545, (S); SC, AMZON to FBM, for SC, Washington, "Discontinued Contacts of SC, Munich," (true names), 24 March 1947, FSRO-1548, (S); and Chief SCB, AMZON to FBM, for SC, "Discontinued Contacts of SC Munich," (cryptonyms), 19 March 1947, HSC/OPS/33, FSRO-1821, (S), all in DO Records, [ ] Box 514, Folder 4, CIA ARC. (Hereafter cited collectively as "SC Munich Present and Discontinued Contacts"). Microfilm copies of 32 agent card files from Berlin and Munich are found in SC, AMZON to SC, Washington, "Transmittal of Micro-film," 18 February 1947, FSRO-1376, DO Records, [ ]

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MOUNT (U)

The MOUNT case drew the attention of senior OSS officials in Washington, including Maj. Gen. William J. Donovan, and threatened to disrupt US-Soviet relations even before the end of the war.[48] In a separate move from Wolff's negotiations with Dulles in Operation SUNRISE, Dr. Wilhelm Hoettl, a major in the SS and a senior intelligence officer in Amt VI, acted as an intermediary between senior Nazi officials (such as *Reichsfuhrer* Heinrich Himmler and RSHA chief Ernst Kaltenbrunner), and a mixed bag of Austrian anti-Nazis who sought favorable terms with the Western Allies.[49] Dulles in Switzerland reported that "Hoettl's record as a SD man and collaborator [of] Kaltenbrunner is, of course, . . . bad and information provided by him [is] to be viewed with caution, but I believe he desires to save his skin and therefore may be useful." OSS, however, regarded Hoettl's dealings as a ploy on the part of Himmler and refused to enter into negotiations.[50] (U)

Captured in Alt-Aussee, Austria, at the end of the war by the 80th CIC Detachment, Hoettl offered the Americans a "complex of agents in Rumania, Hungary, Bulgaria, Jugoslavia, Montenegro and Albania, capable of reporting high-level political

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Folder 3, CIA ARC (S). Many of [redacted] present and dropped agents in Munich also appear on this microfilm.

[48]Portions of this section on Hoettl appear in Kevin C. Ruffner, "Wilhelm Hoettl: International Man of Mystery," *Center for the Study of Intelligence Bulletin* (Fall 2001), pp. 4-9. (U)

[49]Hoettl's contact with OSS is described in Petersen, ed., *From Hitler's Doorstep.* (U)

[50]Ibid., pp. 506-508. (U)

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and military information."[51] Hoettl claimed that his radio "Centrale" still existed in Austria and could communicate with his isolated agents behind Soviet lines using a group of Hungarian cryptographers. These elements could be resurrected under American control if given the signal from Hoettl.[52] (U)

X-2 sought to uncover further information from Hoettl, who had been confined in Munich in May 1945.[53] Capt. Timm in Munich and Capt. William B. Browne in Steyerling, Austria, used members of Hoettl's "Centrale" to contact both Budapest and Bucharest, although "only service messages are being sent in an effort to hold the entire ring together until a final determination of policy can be made." Coming at the end of the war, the Americans expressed natural concerns about operating a net behind the Soviet lines; the Russians, of course, were still regarded as military allies. Timm offered several possibilities about the MOUNT Case:

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[51]Declassified MOUNT case material is found in Lt. Col. Andrew H. Berding, Chief, OSS/X-2, Germany, "Documents Pertaining to Hoettl Case," 27 June 1945, LWX-11, in WASH-REG-INT-1634, Record Group 226, Records of the Office of Strategic Services, Entry 108A, Box 287, (no folder listed), NARA. See also SAINT, London to SAINT, Washington, "War Room Comment on Hoettl Report," 6 February 1946, XX-10734, enclosing Counter Intelligence War Room London, "War Room Comment on Hoettl Report," P.F.602.139, in WASH-REG-INT-175, RG 226, OSS Records, Entry 109, Box 58, Folder 332, NARA. (U)

[52]Berding to Maj. Gen. William J. Donovan, "Hoettl Case," 8 June 1945, in Berding, Documents Pertaining to Hoettl Case, NARA. (U)

[53]The circumstances surrounding Hoettl's capture at the end of the war by US forces is discussed in Robert E. Matteson, "The Last Days of Ernst Kaltenbrunner," *Studies in Intelligence*, Vol. 4, No. 2 (Spring 1960), pp. A11-A29. See also Robert E. Mattson, *The Capture and the Last Days of SS General Ernst Kaltenbrunner, Chief of the Nazi Gestapo, Criminal Police, and Intelligence Services* (Inver Grovers: n.p., 1993). Mattson, a member of the 80th CIC Detachment, participated in the apprehension of Kaltenbrunner, Hoettl, and other SS

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a. The offer is genuine and his net may believe that they are still working for him.
b. Hoettl's offer may be an effort to entangle the Allies.
c. Hoettl's agents may actually be working for the Russians already.
d. The offer may be a distraction to divert the US from other networks or operations.[54] (U)

News of Hoettl's network soon made its way to the top echelons of OSS. Lt. Col. Berding, X-2's chief in Germany, told Maj. Gen. Donovan on 8 June about Hoettl's offer. In a series of lengthy memoranda, Berding recounted the history of the MOUNT case and its implications for the Americans. Berding forcefully advocated that OSS "secure from HOETTL the last syllable of information that he is able to furnish us on the Balkan networks." Berding, however, believed Hoettl "is not in the slightest degree actuated by a fatherly concern for the well-being of the American intelligence services; most of what he has to gain must lie in the empoisoning of Russian-American relationships." Consequently, the X-2 chief advocated that the Americans tell the Soviets about Hoettl's system and that both powers jointly exploit it "in behalf of general Allied security."[55] (U)

Although Donovan had authorized X-2 to maintain radio contact for counterespionage purposes on 10 June, the MOUNT case quickly dissolved after the

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officers in what had been planned to be the center of German resistance in the "National Redoubt." (U)

[54]Capt. Eric Timm, SCI Liaison Officer, Third Army, to Assistant Chiefs of Staff, G-2, Third Army, Seventh Army, and Twelfth Army Group, "Activity Report for the Week Ending 9 June 1945," 10 June 1945, G-TSX-201, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 287, (no folder listed), NARA. (U)

[55]Berding to Maj. Gen. William J. Donovan, "Hoettl Case," 8 June 1945, in Berding, "Documents Pertaining to Hoettl Case," NARA. (U)

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NKVD presented OSS with specific questions about the German operation.[56] By late August, Donovan told the German Mission that the "JCS [Joint Chiefs of Staff] has now authorized OSS to execute proposed liquidation of Hoettl network in collaboration with the Russians as simply and promptly as possible."[57] (U)

Members of X-2, including Capt. Browne in the Alps, were disappointed. As early as 24 June, Browne had reported to Lt. Col. Berding on the importance of the MOUNT operation for postwar American intelligence:

> It is my belief that both the organization and the direction of American Intelligence agencies are inadequate for the successful operation of these networks as a serious effort to penetrate Russian occupied territory. However, I do not believe it will be in American interests to destroy, by handing it over to Russia, the net. In Romania, at least, it can function without assistance or direction from this side. My recommendation is that it be allowed to do just that. Key personnel now in our hands could be disposed of through the IC [Interrogation Center] at Freising, some allowance being made for the offer which they have made. The Central can be easily dismantled. Unless we are sure to eliminate forever all personnel involved thus far, a double-cross such as that contemplated in the plan to turn over all the information to the Russians would eventually become known, and would possibly result in the alienation of most of those well-placed political elements in Rumania and Hungary who are tied into this net, and who now seem so favorably disposed toward the United States. We would thus loose potential friends without realizing any gain commensurate with such a loss; for all that we

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[56]Anthony Cave Brown, *The Last Hero: Wild Bill Donovan* (New York: Times Books, 1982), pp. 752-754. See also David E. Murphy, Sergei A. Kondrashev, and George Bailey, *Battleground Berlin: CIA vs.KGB in the Cold War* (New Haven: Yale University Press, 1997), pp. 4-6 and 456. For more recent work on the role of OSS in turning over Hoettl's network to the Soviets, see Allen Weinstein and Alexander Vassiliev, *The Haunted Wood: Soviet Espionage in America–The Stalin Era* (New York: Random House, 1999), pp. 247-248, and Bradley F. Smith, *Sharing Secrets with Stalin: How the Allies Traded Intelligence, 1941-1945* (Lawrence: University Press of Kansas, 1996). (U)

[57]Director to AMZON, 21 August 1945, OUT 20920, in WASH-OSS-R&C-3, RG 226, OSS Records, Entry 90, Box 4, Folder 42, NARA. (U)

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could hope for by such a move would be gratitude and appreciation from a government which has heretofore never displayed much of either.[58] (U)

In September 1945, US Army officials concluded that "Hoettl has been of great assistance to Allied counterintelligence by debunking the myth of a [German] prepared plan to continue operations after defeat." The Army noted, however, that Hoettl is "a skilled opportunist and a firm believer in his own indispensability."[59] Following his interrogation at the Third US Army Interrogation Center, the Army planned to transfer Hoettl to Nuremberg as a witness for the International Military Tribunal and then turn him over to OSS. By the fall of 1945, Hoettl had provided American interrogators with a significant amount of information about German intelligence activities and personalities.[60] (U)

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[58]Browne to Chief, X-2, "MOUNT Operation," 24 June 1945, X-1339, in RG 226, OSS Records, Entry 210, Box 305, Folder 1, NARA. For information regarding the dispersal of the "Centrale," see X-2 Branch, OSS Mission to Germany, to SAINT, London, 18 July 1945, enclosing Browne to Chief, X-2, "MOUNT Operation," 12 July 1945, X-1301, in RG 226, OSS Records, Entry 210, Box 305, Folder 1, NARA. These documents were among the 400,000 pages of OSS material declassified by CIA in June 2000 and transferred to the National Archives. (U)

[59]Headquarters, Third US Army Interrogation Center (Provisional), "Hoettl, Wilhelm, Dr. SS Sturmbannfuehrer, AIC 984," 15 September 1945, in Record Group 338, European Theater of Operations and US Forces European Theater, Records of the Third US Army Interrogation Center, Box 69, NARA. (U)

[60]Some of the reports generated by Hoettl include Headquarters, Third US Army Interrogation Center, Interrogation Report No. 15, "The SD and the RSHA," 9 July 1945; Interrogation Report No. 16, "Amt VI of the RSHA," 13 July 1945; Interrogation Report No. 18, "The W/T Net of Gruppe VIE of the RSHA," 16 July 1945; Interrogation Report No. 36, "Japanese Intelligence Activities in Europe," 31 August 1945; Interrogation Report No. 38, "Plans of Amt VI for Postwar Activities in Spain," 9 September 1945. All of these interrogation reports are found in RG 338, ETOUSA/USFET, Third US Army Interrogation Center, Box 64, NARA. A critique of Interrogation Report No. 15 by OSS is found in SAINT, London to SAINT, Washington, "War Room Comment on the Hoettl Report," 6 February 1946, XX-10734, enclosing Counter Intelligence War Room, "War Room Comment on the Hoettl Report," [no date], P.F. 602.139, (U), in WASH-REG-INT-175, RG 226, OSS Records, Entry 109, Box 58, Folder 3, NARA. (U)

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Between 1945 and 1947, the Americans held Hoettl in Nuremberg and Dachau for further interrogations in support of Allied war crimes prosecutions. In his most memorable testimony, Hoettl recounted a meeting at his home in Budapest in August 1944 with SS-*Obersturmbannfuhrer* Adolf Eichmann, the "Architect of the Final Solution." According to Hoettl, Eichmann, who was depressed about the German war effort, admitted that he would rank among the chief war criminals sought by the Allies for his role in the roundup and massacre of Europe's Jews. When asked by Hoettl how many Jews had perished, Eichmann stated that some six million had died, including four million in German concentration camps.[61] (U)

Following his return to Austria in late 1947, Hoettl remained active in intelligence circles in postwar Austria into the 1950s. The CIA, however, distrusted the former German SS officer since his first days in American hands. One Agency officer who had interrogated Hoettl considered him a "born intriguer and a dyed in the wool Austrian Nazi," who had "delivered a sufficient number of Nazi war criminals to the gallows, unbeknownst to his former associates, to afford us a strong hold over him."[62]

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[61]Hoettl's claim that the Nazis killed some six million Jews is regarded as the most authoritative source for the number of deaths during the Holocaust. See Whitney R. Harris, *Tyranny on Trial: The Evidence at Nuremberg* (Dallas: Southern Methodist University Press, 1954), pp. 313-314, and United States Chief of Counsel for Prosecution of Axis Criminality, *Nazi Conspiracy and Aggression*, Volume V (Washington, DC: Government Printing Office, 1946), pp. 380-382. (U)

[62]Quote appears in Chief, FBM, "SS Sturmbannfuhrer Dr. Wilhelm Hoettl," 12 June 1949, in Hoettl, CIA Name File, NARA. According to one source in Austria, Hoettl was hated by at least one former comrade because Hoettl had betrayed the Nazi cause at Nuremberg. Adolf Eichmann, for example, reportedly vowed to kill Hoettl. Likewise, former SS officers felt that Hoettl had "willfully invented the number of 6 million Nazi-killed Jews, and thereby having

Nonetheless, the Agency refused to have anything to do with Hoettl, although it spent considerable time and resources to track his activities and contacts.[63] Hoettl continued to surface in the news and, in 1961, Hungary demanded his extradition as an accomplice of Adolf Eichmann's.[64] (U)

Hoettl died at his home in Austria in 1999, by which point he had reconstructed himself as a leading authority on the SS.[65] (U)

ROBOT (U)

Josef Mueller, nicknamed "Ochsenseppi," (Joe the Ox) was one of OSS's earliest contacts in Munich as an SI source and an agent for X-2.[66] Born in 1898 in Bavaria,

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bought World Jewry protection." Former Nazis also regarded Hoettl as an agent of the Americans and the Israelis who had stolen hidden SD gold and assets in Austria. (U)

[63]CIA's extensive file on Hoettl is replete with reports about his postwar activities. Although the Army's CIC used Hoettl from 1948 until 1949, CIA regarded him as a "notorious fabricator" of intelligence. By the early 1950s, Hoettl had formed his own intelligence organization, and he may have been in contact with other intelligence services, including the West Germans and possibly the Israelis. In 1953, the US Army arrested Hoettl on the suspicion of spying for the Soviets in the Curt Ponger, Otto Verber, and Walter Lauber espionage case. For further details about this forgotten Cold War incident, see George Carpozi, Jr., *Red Spies in Washington* (New York: Trident Press, 1968), pp. 30-59. (U)

[64]Ironically, a Hungarian interrogator questioned Hoettl at Dachau in 1947 about looting of a Jewish residence in Hungary in 1944. See "Interrogation of Dr. Hoetl [sic], W.C. at Camp Dachau," 12 March 1947, in RG 260, Records of the Office of Military Government for Germany, Restitution Research Records, Box 484, NARA. (U)

[65]An extensive amount of declassified information regarding Hoettl is found in his CIA Name File transferred to the National Archives on 27 April 2001. For Hoettl's writings, see Wilhelm Hoettl as told to Ladislas Farago, "I Was Hitler's Master Spy," *Argosy*, November 1953, pp. 18-19. See also Hoettl, *The Secret Front: The Story of Nazi Political Espionage*. Trans. by R.H. Stevens (London: Weidenfeld-Nicolson, 1954); Hoettl, *Hitler's Paper Weapon* (London: R.

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Mueller served in World War I and later attended the University of Munich. He settled in the city as a lawyer and became active in the *Bayerische Volkspartei*, or Bavarian Peoples Party, a wing of the Catholic Center Party, witnessing at firsthand the rise of the Nazis. Mueller represented Catholic interests in Bavaria and provided information to Catholic leaders, thus earning the enmity of the Nazis.[67] (S)

Mueller's wartime saga illustrated the tangled and furtive efforts of the resistance to Hitler from within the German military establishment. German armed forces intelligence–the *Abwehr*–was a center of this small resistance movement. *Abwehr* leaders early on recognized the usefulness of Mueller's links to high Church circles, which included Father Robert Lieber, a Jesuit aide to Cardinal Eugenio Pacelli (who became Pope Pius XII in 1939), and Monsignor Ludwig Kaas, formerly the head of the Center Party in Germany and in exile in Rome.[68] In 1939, *Oberst* Hans Oster, chief of the *Abwehr's* Central Office, commissioned Mueller as an *Abwehr* lieutenant with the clandestine mission of acting as a conduit between the military's resistance to Hitler and

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Hart-Davis, 1955); and Hoettl, *Einsatz fur das Reich* (Koblenz: Verlag Siegfried Bublies, 1997) (U)

[66]Mueller's file contains an extensive amount of information regarding his postwar intelligence service. See Josef Mueller, [redacted], DO Records. (S)

[67]For a general description of Mueller's activities, see David Alvarez and Robert A. Graham, *Nothing Sacred: Nazi Espionage Against the Vatican, 1939-1945* (London: Frank Cass Publishers, 1997). See also John H. Waller, *The Unseen War in Europe: Espionage and Conspiracy in the Second World War* (New York: Random House, 1996). (U)

[68]The general account of Mueller's role as the contact between the German resistance and the Vatican is found in Alvaraz and Graham, *Nothing Sacred*, pp. 23-33 and Waller, *The Unseen War in Europe*, pp. 95-103, 114-128, 306-324, and 392-393. For Mueller's interrogation by CIC, see SAINT, London to AB/17, AMZON, "Josef Mueller," 24 October 1945, X-4116, (S), enclosing Col. Earle N. Nichols, Assistant G-2, Allied Force Headquarters to SHAEF (Rear) CI

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the Vatican. Between 1939 and 1943, Mueller estimated that he traveled to Rome at least 150 times from his post in Munich. German intelligence agencies ran across various leads to Mueller's clandestine role, but Adm. Wilhelm Canaris, the head of the *Abwehr*, was able to divert the SD from arresting Mueller.[69] (U)

In April 1943, the Gestapo finally arrested Mueller and searched his home in Munich, uncovering substantial evidence of Mueller's anti-Nazi activities. But, once again, Mueller's luck held out. He was acquitted of high treason, and spent the remainder of the war at various concentration camps, including Buchenwald, Flossenberg, and Dachau. (U)

In the final days of the war, the Gestapo transferred Mueller and other political prisoners to Austria and then to northern Italy, where American forces liberated him in early May 1945. The Americans, in turn, took Mueller to the island of Capri where CIC first interrogated the German lawyer. After that point, Joe B. Cox, the CIC special agent handling Mueller, accompanied him to Rome where he was reunited with Father Lieber and his other Vatican acquaintances. Special Agent Cox completed his report on Mueller in mid-June.[70] (S)

Mueller, in the meantime, returned to Germany via military air transport. OSS quickly recognized that Mueller could be a valuable source of information about German

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War Room, "Mueller Josef," 17 June 1945, GBI-389.701.Pf/1710, (S), in Mueller, [redacted] DO Records (hereafter cited as Mueller CIC Interrogation). (S)

[69]Alvarez and Graham, *Nothing Sacred*, pp. 23-33. (U)

[70]Mueller CIC Interrogation. (S)

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resistance efforts against Hitler as well as political developments in occupied Bavaria.[71] Henry Hecksher, an officer with the Third Army's Interrogation Center, who later served with SSU and CIA, interrogated Mueller concerning the fate of Admiral Canaris and other members of the German resistance.[72] "From a brief conversation with Mueller," Hecksher wrote in 1949, "I carried away the impression of an unusually forceful, shrewd, and informed man, who even at the time of total internal collapse and national paralysis was laying his plans, with deliberation and diplomatic skill, for a political career." Like most American intelligence officers, Hecksher "was particularly impressed by the range of Mueller's political contacts inside Germany and the Vatican. This, coupled with a

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[71]Mueller was first reported by SCI Munich as a possible penetration agent in X-2 Branch, OSS Mission to Germany to SAINT, "Semi-Monthly Operation Report, SCI Munich," LMX-010-815, (S), enclosing SCI Detachment, Munich to Commanding Officer, OSS/X-2 Germany, "Semi-Monthly Operation Report SCI Munich," 15 August 1945, in DO Records, [redacted], Box 3, Folder 21, CIA ARC. Starting in 1944, OSS developed a file of known anti-Nazis living in Munich, including Cardinal von Faulhaber. Mueller, however, does not appear in this file. See "Munich Biographical Record Sheets," in 7th Army-SSS-OP-1 in RG 226, OSS Records, Entry 158, Box 4, Folder 58, NARA. (S)

[72]Hecksher was born in 1910 in Hamburg, Germany, and came to the United States in 1939 after attending the universities of Berlin and Hamburg. He entered the US Army in 1941 and served as an instructor at the Military Intelligence Service school at Camp Ritchie, Maryland, when he transferred overseas in 1944. Fluent in German, French, and Russian, Hecksher specialized in the interrogation of German officials. He transferred to SSU as a first lieutenant in December 1945 and became a civilian employee in May 1946. Hecksher served in Heidelberg as the chief of the German Mission's SC Branch during 1946-47 and later in Berlin. He did not depart from Germany until 1954 at which time, Hecksher partook in the planning for Operation [redacted]. Until his retirement from CIA in 1971 [redacted]. Hecksher died in New Jersey in March 1990. Personnel file, Henry D. Hecksher [redacted]

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seemingly untarnished personal and political record, induced me to prevail on the Munich Detachment of SCI to recruit Mueller."[73] (S)

Boleslav A. Holtsman served as Mueller's case officer and, according to Hecksher, Holtsman "succeeded in establishing an unusually close understanding with Mueller, based upon mutual respect and the former's rare understanding of what in Bavaria goes by the name of politics."[74] In submitting Mueller's biographical information for vetting as an agent of SCI Munich, Holtsman noted in August 1945 that he was "being approached for advice by all political factions and by many individuals. He has numerous friends and acquaintances."[75] (S)

Holtsman also queried whether Mueller should "be considered subject to our 'automatic arrest' policy? For in spite of the fact that he was our agent and informant during the war with Germany, he was also a member of *Abwehr*." Holtsman admitted that "this might sound very naïve at first glance, but our 'automatic arrest' policy does not allow for any flexibility."[76] (S)

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[73]Hecksher to Chief, Foreign Branch M, "Conversation with Dr. Josef Mueller on 31 January 1949," 19 February 1949, MGB-A-3322, (S), in Mueller, [redacted], DO Records. (S)

[74]Ibid. (S)

[75]B.A. Holtsman to Commanding Officer, X-2, Germany, "Dr. Josef Mueller," 31 August 1945, X 2874, (S), in Mueller, [redacted], DO Records. (S)

[76]B.A. Holtsman to Commanding Officer, X-2, Germany, "Dr. Josef Mueller," 31 August 1945, X 2874, (S), in Mueller, [redacted], DO Records. In fact, SSU came under criticism from the Office of Military Government in February 1946 because Mueller, "an ex-*Abwehr* character, was not only still at large, but was in an influential position with the Christian Socialist Party." See AB/11 to AB/02, Internal Route Slip, "Dr. Josef Mueller," 7 February 1946, L-003-207, (S), and SSU's response, Lenington to Capt. George Schriever, "Dr. Josef Mueller," 11 February 1946, LX-003-211, (S), in Mueller, [redacted], DO Records. (S)

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By mid-September, Holtsman submitted eleven reports written or collected by Mueller, including information on Communism Party activities and on the formation of the Christian Social Union (CSU) in Bavaria.[77] He was a rising star in the early political scene in southern Germany, and he was as much a source for SI as he was for X-2.[78] (S)

Despite Mueller's usefulness in assessing nascent German political developments, American intelligence had lingering doubts about his credibility. London Station in October 1945 asked directly "Why wasn't Mueller executed? Everyone else taking part in the July 20 conspiracy was and Mueller, while admittedly having good connections, wasn't any more important or presumably better protected than Oster, Canaris, and various others." The obvious question remained – "Was he just plain lucky or did he at one time or another talk?"[79] (S)

After an initial assessment of Mueller's case, London determined that "it seems very likely that Mueller, having primarily served the Vatican both before and during the War, will continue to do so after it. This might," SSU added, "not preclude his usefulness to us but it would certainly seem to limit it."[80] SSU's uncertainty about

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[77]Holtsman to Commanding Officer, X-2, Germany, "Information Collected by Dr. Josef Mueller," 11 September 1945, X 3223, (S), in Mueller, [redacted], DO Records. (S)

[78]Examples of Mueller's political reporting during this period include SSU Intelligence Disseminations, "Information Concerning Dr. Josef Mueller of the Bavarian Christian Social Union," 3 October 1945, A-62357; "Christian Social Union in Bavaria," 10 October 1945, A-61798; "Stegerwald Program for Germany," 10 October 1945 (date of distribution), A-61798a; ""Future Plans for the Bavarian Christian Social Union (BCSU)," 10 December 1945, A-64163; and "Josef Mueller and the BCSU," 20 February 1946, A-65375, (S), in Mueller, [redacted] DO Records. (S)

[79]24 October 1945 cover memorandum to Mueller CIC Interrogation. (S)

[80]Ibid. (S)

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Mueller was never fully resolved, but X-2 in Munich moved ahead with its plans to use Mueller as a penetration agent.[81] After receiving permission to do so in September, Mueller was given the codename of ROBOT.[82] (S)

Mueller had already embarked on projects for X-2 that kept him busy in the fall of 1945. He identified the members of O-VII (or Organization VII) in the former German Army Wehrkreis (Military District) VII. This shadowy anti-Nazi group drew its members from two Bavarian resistance formations, the *Freiheits Aktion Bayern* (FAB) and the *Bayerische Freiheits Bewegung* (BFB), which sought to denounce former Nazis in positions of power in Bavaria.[83] He also provided Holtsman with information about the Austrian resistance movement that had sprung up just before the Nazi collapse.[84] In addition to his work with SSU, Mueller also assisted the War Crimes Commission in

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[81] In late December 1945, Lt. Lenington discussed the Mueller case with Holtsman and raised London's concerns about how the German survived the spate of executions during 1944-45. As far as could be ascertained from traces made in Rome, "at this stage of the vetting Mueller's story has been fairly well corroborated from outside checks." See AB-17 [identity unknown] to Holtsman, "Summary of Preliminary Vetting of Dr. Josef Mueller," 31 December 1945, LX-003-1231, (S), in Mueller, [redacted], DO Records. (S)

[82] SCI Detachment, Munich to Commanding Officer, OSS/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 30 September 1945, G-TSX-3747, (S), in DO Records, [redacted] Box 3, Folder 21, CIA ARC. ROBOT first appears as an active case in German Mission's reporting in OSS/X-2 Germany, "Progress Report on X-2 Penetration Cases Run in the American Occupied Zone in Germany, September 1945," 1 October 1945, LWX-010-10, (S), in DO Records, [redacted] Box 1, Folder 14, CIA ARC. (S)

[83] SCI Detachment, Munich to Commanding Officer, OSS/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 30 September 1945, G-TSX-3747, (S), in DO Records, [redacted] Box 3, Folder 21, CIA ARC. (S)

[84] SAINT, AMZON to SAINT, Washington, "Few Details on Munich Contact with Austrian Resistance Movement," 29 November 1945, LSX-002-1129, enclosing Holtsman to Commanding Officer, X-2/Germany, "Few Details on Munich Contact with the Austrian Resistance Movement," 21 November 1945, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 276, (no folder listed), NARA. (U)

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Nuremberg. Maj. Gen. William J. Donovan, the former director of OSS and briefly a member on the American team for the International Military Tribunal, wanted Mueller to gather information on German resistance to Hitler.[85] Donovan was particularly interested in the Church's role in opposing Hitler, which allowed Mueller to draw upon his clerical contacts.[86] (U)

SI's contact with Mueller ended when its Munich post closed in March 1946.[87] In a report written in 1947, [redacted], formerly an SI officer in Munich, recalled that he and other members of SI/Munich would meet every week or so at Mueller's house. The meetings, more like open gatherings with other guests, such as members of the clergy and CSU party members, were informal, the Americans would bring "a jar of Nescafe, as we would have done on any social visit to Germans." [redacted] stated that Mueller "never produced written intelligence for us and we never considered

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[85]Mueller provided a lengthy affidavit in Munich on 16 January 1946 about his knowledge of the fate of Adm. Wilhelm Canaris, the head of the *Abwehr*, who was executed by the Nazis just before the war's end. See Col. Edward M. Finkel, Headquarters, Third US Army, G-2, to Commanding General, Headquarters Command, International Military Tribunal, "Admiral Wilhelm Canaris," 14 February 1946, in RG 338, ETOUSA/USFET Records, HTUSAIC, Box 66, (no folder listed), NARA. (U)

[86]Lt. Sidney H. Lenington, Deputy Chief, SSU/X-2, Germany to SAINT, Washington, "Semi-Monthly Reports," 12 December 1945, LMX-005-1130, enclosing Timm to Commanding Officer, SSU/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 31 October 1945, LMX-005-1130, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 275, (no folder listed), NARA. (U)

[87] [redacted], Chief of Base, Berlin, to Chief of Station, Heidelberg, "Josef Mueller," 25 November 1947, MGB-A-883, (S), in Mueller, [redacted], DO Records. Gordon Stewart, then Chief of the German Mission, forwarded [redacted] comments to Munich. See Stewart, COS, Heidelberg, to Chief, Munich Operations Base, "Josef Mueller," 4 December 1947, MGH-A-2268, (S), in Mueller, [redacted], DO Records. (S)

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him an agent. His statements," [redacted] observed, "were always taken as political utterances, rather than as actual information." (S)

Bill Holtsman, X-2's lone representative in Munich, continued for a time to draw upon Mueller's connections to expand his coverage of the counterintelligence scene.[88] Among his many acquaintances, Mueller introduced Munich X-2 to a senior *Abwehr* officer who became a leading SCI asset. At least one of Mueller's contacts, however, evoked a strong degree of antipathy from SSU. Holtsman informed his superiors in November 1945 that Mueller had learned the whereabouts of Erich Heidschuh, an SS officer who had evaded American efforts to track him in Munich. Holtsman reported that "Heidschuh believed well informed mass murder [in] Poland, *Abwehr* activity in [the] East and in France." According to Mueller, he could establish "friendly relations" with Heidschuh, who was "reported as type to whom intelligence work appeals and is anxious to work with West." Sidney Lenington at the German Mission headquarters responded that "it would seem inadvisable to establish relations with Heidschuh" and that "it is our suggestion that Heidschuh be not used and that, in light of his former activities, his case be brought to the attention of CIC."[89] (S)

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[88]For example, Holtsman submitted several reports by Mueller on individuals of CI interest in late 1945. See SCI/Munich, "Herbert M. Ritter," 26 December 1945, (S); "Sokol, Originally of AST/Wien," 26 December 1945, (S); "Professor Euler," 26 December 1945, (S); "Dr. Ritzinger (Democratic Royal Party of Bavaria)," 24 December 1945, (S); and "Baron Vladimir Kaulbars," 26 December 1945, (S), in Mueller, [redacted], DO Records. (S)

[89]AB-43 [Holtsman] to AB-2 [identity not known], 12 November 1945, NR-143, (S), and AB-24 [Lenington] to AB-43 [Holtsman], "Eric Heidschuh," 14 November 1945, (S), in Mueller, [redacted], DO Records. (S)

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X-2's relations with Mueller dwindled after 1946 for several reasons. His stature in the CSU grew controversial when he ran afoul of both American Military Government officials and the rightwing faction of his party. Mueller's contact with the French and the Soviets raised new concerns about his political allegiances as he continued his rise in Bavarian political circles.[90] In addition, [redacted] reported in 1947 that, while Mueller was "very friendly with [redacted] in 1946, ROBOT subsequently began to exploit the friendship to assist some of his CSU friends in denazification and other matters. The services he required," [redacted] wrote, "and the small returns received prompted [redacted] to break contact. On a different basis of association, ROBOT is still potentially useful, since he is a shrewd and energetic politician with a good knowledge of behind-the-scenes activities."[91] (S)

Mueller's significance to American intelligence can be measured in the leads that he provided. Although CIA continued to meet with Mueller periodically and reported on his activities until the late 1950s, contact with and interest in the German lawyer-spy-politician never took on the same scale as it did during the first year after VE-Day.[92] Mueller continued to play a leading role in early West German political developments.

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[90]For example, see Arthur Report No. A-3, "Discussions of Dr. (Josef) Mueller with the Russians in Berlin," 2 November 1946, MGH-106, (S); Peter Report No. 75, "Jos. Mueller in Karlshorst," 18 October 1946, MGB-75, (S); SC AMZON to [redacted], "Dr. Josef Mueller," 2 December 1946, MGH-003-1202, (S); and External Survey Detachment 11 Intelligence Report, "Josef Mueller's Recent Contacts with Karlshorst," 18 December 1946, MGH-112, (S), in Mueller, [redacted], DO Records. (S)

[91]"SC Munich Present and Discontinued Contacts." (S)

[92]Munich Base's contact reports with Mueller in the late 1950s are located in Mueller, [redacted] DO Records. (S)

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He served as deputy minister president and minister of justice in the Bavarian Government from 1947 to 1950 and then joined the Federal government as minister of justice until 1952. He remained a visible figure in CSU circles until his death in September 1979. (S)

GAMBIT (U)

Hildegarde Beetz offered X-2 in Munich a unique perspective into the machinations of the RSHA. Beetz, who came to the attention of American intelligence through Wilhelm Hoettl, had been close to Count Galeazzo Ciano di Cortellazzo, the son-in-law of Italian dictator Benito Mussolini. Ciano had served as Italy's foreign minister until 1943 when he was arrested for betraying the Italian Fascist cause. (This led to his execution the following year.) Born in 1919 near Weimar, Beetz joined the SD in 1939 as a clerk after receiving language training. Two years later, she transferred to Rome, where she briefly worked for Guido Zimmer as a translator. She worked later in Amt VI of the RSHA under Herbert Kappler, the SD's representative in Rome. (U)

With the Italian surrender in September 1943, Beetz, along with other German female personnel, was evacuated from Rome. After her posting to Berlin, Hoettl, the head of Amt VI's office dealing with Italy, assigned Beetz to be Count Ciano's secretary and translator while he was held as a prisoner in Germany and later in Italy. The SD wanted her to obtain Ciano's diary with his annotations about Italian peace negotiations

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and secret meetings. She accomplished her task and, at the end of the war, buried the diary in the garden of her parents' home in Weimar. In the early summer of 1945, American intelligence officers subsequently recovered the diaries, dubbing them the "Rose Garden" papers.[93] (S)

After recovering the Ciano diaries, the Army interrogated Beetz about the German wartime intelligence organization, activities, and personnel in Italy.[94] As early as June 1945, OSS realized that it could employ Beetz to keep track of Hoettl. Lt. Col. Berding, X-2's chief in Germany, noted that "as the former secretary and confidant of Dr. Hoettl, she [Beetz] can be expected to find out from Hoettl what he considers to be the purpose of his present collaboration with us, and what his plans are for the future of Germany and of himself."[95] She provided "partial confirmation of the suspicion that Dr. Hoettl had

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[93]Details of the recovery of the Beetz's "Rose Garden" papers is described in Smyth, *Secrets of the Fascist Era*, pp. 73-78 and in Smyth, "Italian Civil and Military Records on Microfilm," in Wolfe, ed., *Captured German and Related Records*, pp. 176-179. See also Berding to Chief, CIB, G-2, Twelfth Army Group, "Hildegard Beetz, nee Burkhardt, SD Executive and Agent," 18 June 1945, XARX-3305, (S), in Hildegard Purwin, [redacted] DO Records. (S)

[94]Maj. Edmund L. King, Third Army Intelligence Center, "The SD (Amt VI, RSHA) in Italy," 4 August 1945, (S), in DO Records, [redacted]., Box 1, Folder 6, CIA ARC. See also Berding to Chief, CIB, G-2, USFET, "Special Interrogation Report, Frau Hildegard Beetz," 9 July 1945, (S); USFET Interrogation Center, Capt. Harry K. Lennon, Preliminary Interrogation Report, "Beetz, Hildegard, nee Burkhardt;" 19 July 1945, (S), and Capt. C.M. Hopkins, X-2/Germany, to SAINT, Caserta, "Letter of Transmittal," 8 October 1945, (S), all documents in Purwin, [redacted] DO Records. (S)

[95]Berding to SCI, Third Army, "Exploitation of Frau Hildegard Beetz," 6 July 1945, (S), and SAINT, AMZON to SAINT, Rome, "Vetting of Hildegard Beetz," 12 October 1945, (S), both in Beetz, File 201-0104258. Interrogation of Beetz by OSS on her relationship with Hoettl is found in SAINT BB090 to SAINT BB008, "Frau Hildegard Beetz," 24 July 1945, XX 8353, (S), enclosing Berding to Chief, CIB, G-2, USFET, "Special Interrogation Report, Frau Hildegard Beetz," 9 July 1945, (S), in DO Records, [redacted] Box 3, Folder 35, CIA ARC. (S)

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offered the services of his Southeastern Europe intelligence network to the Americans to further his own political ambitions in Austria."[96] (S)

By August, OSS had decided to use Beetz as a "Penetration Agent" in Munich and gave her the codename of GAMBIT. Special Agent Albert M. Grant, a member of X-2/Munich, proposed that "Frau Beetz secure employment as a secretary through the *Arbeits Buro* in Munich. She will then pick up former social contacts in the area which have a former [Nazi] Party affiliation." In addition, Beetz will "join the Roman Catholic Church. She feels that the Church will very possibly be the 'cover' used in any future operations of the GIS. By cultivating contacts within the Church she will be in a position to be immediately informed of any subversive action." Grant felt that Beetz could be controlled because she fell into the "automatic arrest" category as a member of the SD and because the Americans still held her husband as a prisoner.[97] Beetz claimed to have been an "unwilling member" of the Nazi party and said she had stopped paying her Party dues while in Rome.[98] (S)

Beetz soon found work with a small translating firm in Munich. The owner, formerly a diehard Nazi and now converted to communism, published tracts urging Germans to "engage yourselves with the ideals of Socialism." In December, Holtsman

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[96]Lt. Edward R. Weismiller to SAINT, Washington, "Semi-Monthly Operation Report, SCI Munich," 3 August 1945, LWX-62, enclosing Timm to OSS/X-2, Germany, and G-2, CIB, Third Army, "Semi-Monthly Operation Report, SCI Munich," 1 August 1945, in WASH-REG-INT-163, OSS Records, RG 226, Entry 108A, Box 287, (no folder listed), NARA. (U)

[97]Special Agent Albert M. Grant to Chief, X-2/Germany, "Frau Hildegard Beetz," 11 August 1945, X-2273, (S), in Purwin, [redacted], DO Records. (S)

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admitted that "GAMBIT's present activity has been very limited because of the limited contact she is able to make." SCI Munich even contemplated setting up a joint operation with CIC to more effectively employ Beetz.[99] (U)

By early 1946, it was clear that Beetz was underutilized in Munich. At the behest of Dana Durand, Beetz departed Munich in April for Berlin to embark on a secret project in the divided city. Henry D. Hecksher of X-2/Berlin arranged with Lawrence E. de Neufville, a former civilian OSS employee now posted with the Military Government, to have Beetz employed as a confidential agent in the Economics Division of the Office of Military Government to ascertain whether the Soviets had penetrated the American command.[100] SSU falsified Beetz's denazification papers and gave her a new identity as Hildegard Blum in order to facilitate her new employment. Hecksher, who had first met

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[98]SAINT, AMZON to SAINT, Rome, "Vetting of Heldegard Beetz," 12 October 1945, X1836, (S), in Purwin, [redacted], DO Records. (S)

[99]Lenington to SAINT, Washington, "Semi-Monthly Reports, SCI/Munich," 12 December 1945, LMX-005-1130, enclosing Timm to OSS/X-2, Germany, and G-2, CIB, Third Army, "Semi-Monthly Operation Report, SCI Munich," 31 October 1945; Holtsman to SSU/X-2, Germany and G-2, CIB, Third Army, "Semi-Monthly Operations Report SCI Munich," 15 November 1945; and Holtsman to SSU/X-2, Germany and G-2, CIB, Third Army, "Semi-Monthly Operations Report," 30 November 1945, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 275, (no folder listed), NARA. (U)

[100]Born in London, England, in 1913, de Neufville immigrated to the United States in 1933 and became a citizen seven years later. Educated at Oxford and at Harvard University, de Neufville was a journalist and magazine editor before the war. He joined OSS as a civilian in 1944 and served in Morale Operations and X-2. De Neufville was one of the first two members of X-2 to enter Berlin when the American forces moved into the German capital in July 1945. He resigned from SSU in December of that year to accept a position with the Military Government in Berlin. [redacted]

[redacted]

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Beetz when OSS put her in touch with Hoettl, felt that "she is probably one of those extremely rare Germans who understand and are sympathetic to Democracy."[101] (S)

As X-2's planning progressed in using Beetz to attract Soviet agents, Richard W. Cutler in Berlin provided Hecksher with additional details about Beetz, now known as GAMBIT, and her proposed role in what was now described as Project SITTING DUCK:

> As an aid to current and prospective double agent operations against Soviet Intelligence Stations lying outside Berlin it is proposed to place Frau Beetz in OMGUS as a secretary in the near future. As is now well known, one of the principal targets of the Soviet Intelligence System is the penetration of important American offices at OMGUS. In the process of doubling back Soviet agents dispatched on such a mission, it almost inevitably becomes necessary to use a cutout, someone actually employed inside the Soviet target-office, in order to give the Soviet controlling officers the illusion that their agent has in fact contacted a well-placed source of information. Such a decoy or 'sitting duck' placed inside the Soviet target would be subject to our complete control and, by giving the Soviets increasing confidence in the success of their operation, enable our penetration of their service to achieve greater results. (S)
>
> In the past friendly and secure American officers have sometimes cooperated with us as 'sitting ducks,' but the Soviets do not, for understandable reasons, appear to trust such a contact of their agent as much as a well-placed German secretary. It is therefore deemed imperative to have at least one, but preferably two or three, German decoys inside the target. Newly discovered Soviet agents can then be directed – probably unconsciously – to the decoy for neutralization, and doubled

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[101] A discussion of Beetz's role in Berlin is found in AB-16 [Richard W. Cutler] and AB-51 [Henry D. Hecksher] to AB-24 [Sidney H. Lenington], "Project for GAMBIT," SCI-B-174, LTX-TS-160, (S). For approval of this project, see AB-16 to AB-24, "GAMBIT Project," 25 May 1946, LBX-TS-324, enclosing Col. H.G. Sheen, Chief, Counter Intelligence Section, Office of the Director of Intelligence, to Brig. Gen. Draper, Director, Economics Division, OMGUS, "Counter Espionage," 21 May 1946, (S), in Purwin, [redacted], DO Records. Further discussion of Beetz's trustworthiness is found in Wilma Taber, X-2 Vetting Officer, to Sidney Lenington, Acting Chief, X-2, "Vetting of Hildegard Beetz," 13 May 1946, LWX-TS-158, (S), and SAINT, AMZON, to SAINT, Washington, "Hilde Beetz," 1 July 1946, LWX-531, enclosing AB-16 to AB-17 [identity unknown], "GAMBIT's Lebenslauf and Analysis by AB-16," 5 June 1946, LBX-347, (S), in Purwin, [redacted] DO Records. (S)

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agents already under our control can use the sitting duck as camouflaging support for their delicate double role.[102] (S)

Project SITTING DUCK soon proved lame. By November 1946, five months after Beetz accepted her job at the Economics Division, Hecksher was forced to declare the project a failure.[103] Hecksher, however, planned to use another SSU double agent, known as FORD, to entice MVD's Capt. Skurin's interest in the German secretary. The Americans hoped that Skurin would seek out Beetz at OMGUS and try to recruit her. In turn, SSU wanted to draw him out of the Soviet sector and, with Beetz's help, encourage him to defect. Skurin refused to take the bait, despite meeting with Beetz in the French sector.[104] (S)

Beetz, now redubbed CAMISE, continued to work for the new CIA, and she was placed in the office of Arno Scholz, the publisher and editor in chief of *Der Telegraf*, the British licensed, pro-Social Democratic newspaper in Berlin. Through Beetz, the CIA monitored Scholz's activities, gathered information from him on his social and political

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[102]AB-16 to AB-51, "Project Proposal for CIB: GAMBIT," 13 July 1946, LBX-435, (S), in Purwin, [redacted], DO Records. See also AB-16 to AB-24, "Further Details of GAMBIT Project," 29 May 1946, LBX-332, (S), enclosing Hecksher, "Aide Memoire;" and Hecksher to Capt. Everett O'Neal, "Project "Sitting Duck," 16 July 1946, LWX-TS-306, (S), both in Purwin, [redacted], DO Records. (S)

[103]Beetz quickly became a highly-regarded employee at OMGUS and attracted the attention of American officers, one of whom wanted to employ her as a tutor for his children. See SAINT, AMZON to SAINT, Washington, "Transmittal of Report," 12 August 1946, LWX-TS-383, FSRO-240, (S), enclosing "Status of Berlin Operations Report: 1-31 July 46," 5 August 1946, (S), in DO Records, [redacted], Box 386, Folder 1, CIA ARC. (S)

[104]AB-52, "GAMBIT Project," 25 November 1946, BSC/Ops/002, MGB-746, FSRO-1172, (S), in Purwin, [redacted], DO Records. For more details, see Murphy et al, *Battleground Berlin*, pp. 408-410 and 504. (S)

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connections, and subsidized the distribution of his paper in the Soviet zone.[105] Operational use of Beetz petered out after 1950, when she become the head of the local *Telegraf* bureau in Frankfurt am Main. She soon remarried, this time to Karl Heinz Purwin, a West German trade unionist and editor of *Welt der Arbeit*. The Agency, in fact, briefly considered using Beetz to penetrate the Social Democratic party through her husband's connections. Over the next two decades, Beetz (now known by her married name of Purwin) became a respected West German journalist and editor of the *Neue Rhein-Ruhr Zeitung* in Essen. She was considered a friend of West German chancellor Willi Brandt, and the government presented her with an award for her work in journalism. (S)

The Agency periodically considered reactivating her as a source, but these proposals were always dismissed. In 1961, for example, the German Station raised the idea of using Beetz as an informant on the local political scene and as a way to plant articles in West German newspapers. When the proposal reached the Counterintelligence Staff for operational approval, it was quickly squelched. The CI Staff felt that Beetz was too knowledgeable about the CIA's operations in Germany and could identify too many

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[105]Upon further investigation by the CIA, the Agency determined that Scholz had mismanaged his covert subsidies. The Agency also concluded that Scholz gave false information between 1952 and 1954; CIA terminated its relationship with him in early 1955. For information on Scholz, ⊏ ⊐ Arno Scholz, ⊏ ⊐ DO Records. (S)

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officers. Likewise, the CI Staff regarded Beetz as "politically confused" and in contact with other intelligence services.[106] (S)

Two more proposals for using Beetz emerged and sunk in subsequent years. Thomas Polgar [redacted], met Beetz, his former agent, in 1979. Polgar, one of the original X-2 officers in Berlin, had known Beetz almost from the beginning of her association with American intelligence. After talking with her on several occasions, Polgar reported to Washington that he felt that Beetz had fine contacts in Bonn and that she was a "living encycloepedia of political and personality information." (S)

In 1982, the CIA once again examined Beetz's case; this time in relation to private records and diaries that she asked to be returned. Headquarters claimed that all of her papers had long ago been given back and that the diary had been missing since 1945. The German Desk, in addition, reached the conclusion that her performance as an agent had been mediocre and that her forte had actually been "the ease with which she handled case officers for her own benefit. We earnestly hope you will not request permission to initiate

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106 [redacted], Chief, CI/OA, to Chief, EE/Germany, "CAMISE," 19 April 1961, (S), in Purwin, [redacted], DO Records. In 1982, Headquarters provided [redacted] with a summary written by Hecksher in 1949 about Beetz's work with CIA. "CAMISE is probably better acquainted with the history of our organization and its personnel than any other agent this base has ever run. This is in part due to an unfortunate occurrence that took place, I believe, in 1945. At that time CAMISE requested that her private papers be returned to her. Instead, however, of merely receiving those papers she was given the complete operational file on a (very high level double agent operation) which she studied with bated attention and then returned. After she had been turned over to BOB [Berlin Operations Base] for further handling, CAMISE's case officer became deeply infatuated with her, and we assume that the drop in security consciousness which is customary byproduct of infatuation helped to increase her

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a relationship with CAMISE unless you are convinced that she has something unique to offer, something that she and she alone can provide."[107] (S)

While the CIA's interest in Beetz ceased 20 years ago, an Italian magazine located her in 1996 in an unnamed town and interviewed her about her experiences with Count Ciano. The magazine, however, left Beetz in peace and did not provide any further biographical details beyond stating her new assumed name.[108] (U)

MALT (U)

The rounding up and interrogation of members of the defeated German military intelligence services and the collection of their records absorbed a great deal of X-2's time in the summer and fall of 1945.[109] In addition to the MOUNT case, SCI/Munich had already organized two projects in June 1945 that utilized Nazi intelligence and communications personnel. X-2 arrested *Oberstleutnant* Fechner, the head of the *Abwehr's Leitstelle II*, and his adjutant, *Hauptmann* Novak, as well as another officer in

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knowledge of our organization." See Cable, Director to [redacted] 12 April 1982, Director 196337, (S), in Purwin, [redacted], DO Records. (S)

[107]See Cable, Director to [redacted], 12 April 1982, Director 196337, (S), in Purwin, [redacted], DO Records. See also Cable, Director to [redacted] 27 January 1982, Director 128021, (S), in Purwin, [redacted], DO Records. (S)

[108]Moseley, *Mussolini's Shadow*, p. 264. (U)

[109]As an example, see Capt. Thomas F. Purner, Jr., Deputy Chief, X-2/Germany, to Capt. Timm, SCI Liaison Officer, Third Army, Munich, "Records Found at Castle Lauenstein (J575190) near Probstzella (J5821)," 26 June 1945, LSX-002-626C, enclosing Lt. Sam E. Harwell, Commanding Officer, 87th CIC Detachment, to Assistannt Chief of Staff, G-2, 87th Infantry Division, "Records

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charge of the organization's staybehind agents in Rumania. The TIP Case, as it became known, resulted in the discovery of an extensive cache of material pertaining to German clandestine activities in the Balkans.[110] In mid-August, Lt. Col. Berding cited Fechner's aid to the Americans in recovering valuable enemy intelligence records. Berding sought clarification from the Army as to the disposition of the "Leitstelle Group."[111] (S)

In a related case, X-2 in Munich also developed another project, the JUNKET case, to interrogate members of the Wehrmacht's 506th Signal Regiment. This unit had the responsibility for maintaining communications with German agents in the Balkans,

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Found at Castle Lauenstein (J575190) near Probstzella (J5821)," 26 May 1945," in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 276, (no folder listed), NARA. (U)

[110]See Timm, SCI Liaison Officer, Third Army, to G-2, Counter-Intelligence Branch, Seventh Army, "Frontleitstelle II Sued Ost Personnel and Documents; Pertisau, Tyrol," 5 June 1945, LSX-002-605; Timm to Assistant Chiefs of Staff, G-2, Third Army, Seventh Army, and Commanding Officer, SCI Detachment, Twelfth Army Group, "Activity Report for the Week Ending 9 June 1945," 10 June 1945, LWX-4; Lt. Col. Berding, X-2/Germany, to Chief, CIB, G-2, USFET, "Relation of Leitstelle II Sud-Ost and Other Intelligence Agencies," 19 July 1945, LWX-52, enclosing Lt. Pierre M. Haas, French Army, SCI/Twelfth Army Group, to Commanding Officer, X-2/Germany, "Lt. Alfred Piff Interrogation Report Appendix A: Relations between Leitstelle II Sud-Ost and Other Intelligence Agencies," 19 July 1945; Lt. Col. Berding, X-2/Germany, to Maj. John B. Oakes for Chief, CIB, G-2, USFET, "Technical Data from Leitstelle Sud-Ost," 24 July 1945, LWX-18, enclosing Timm, to Commanding Officer, X-2/Germany, "Technical Data from the Leitstelle II Sud-Ost," 20 July 1945; and Lt. Col. Dupre Sassard, USFET, G-2, to CI War Room, "Captured Documents Concerning Sabotage Caches in Greece," 26 July 1945, LWX-385-726, all documents in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Boxes 276 and 287, (no folders listed), NARA; and Timm to ACS, G-2, Third Army and Seventh Army and Commanding Officer, SCI Detachment, Twelfth Army Group, "Activity Report for the Week Ending 16 June 1945," 18 June 1945, LMX-010-618, (S), in DO Records, [redacted], Box 3, Folder 21, CIA ARC. (U)

[111]Lt. Col. Berding to Chief, Counter Intelligence Branch, USFET, "Treatment of GIS Personnel," 13 August 1945, LWX-002-813, (S), DO Records, [redacted] Box 406, [no folder listed], CIA ARC. (U)

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Italy, the Soviet Union, and Turkey. By June, X-2 and CIC had apprehended as many as 50 members of the unit and tried to crack the unit's call signs and frequencies.[112] (S)

X-2 continued to pursue these leads into 1946. In Munich, Bill Holtsman's contact with *Oberleutnant* Wolf Ulrich Wirth, a German signals intelligence officer, proved valuable. Wirth, who served in an intelligence staff position and commanded a communications unit in Russia, provided SSU with documents concerning the interception of Soviet radio traffic.[113] He also supplemented American intelligence on certain Soviet wartime espionage activities in Germany, known as *Rote Drei*, and explained German intelligence material on the Polish service as it existed in 1939. Holtsman remained in touch with Wirth into 1947 and helped him enter the journalism department at the University of Munich. By this point, Wirth had been given the operational designation of BARLEY.[114] (S)

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[112]Ibid. (U)

[113]See USFET, SCI Detachment, Munich to Commander, SSU/X-2 Germany, "OKW AG WNV/Fu/Ost," 14 February 1946; and "Documents Recovered from Wirth (Addendum to Report of 14 February 1946 entitled OKW AG WNV/Fu/Ost - Documents)," 14 February 1946, in WASH-X-2-PTS-135, RG 226, OSS Records, Entry 171A, Box 67, Folder 823, NARA (these same documents are also found in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 287, [no folder listed] transmitted as SAINT, AMZON to SAINT, Washington, "OKW AG WNV/Fu/Ost," 1 March 1946, LWX-TS-10,). See also AB-43 [Holtsman] to Commanding Officer, SSU/X-2 Germany, " 'Razvedupr' Personnel of the Soviets, Situation as of 1939," 4 January 1946, in WASH-X-2-PTS-135, RG 226, OSS Records, Entry 171A, Box 67, Folder 823, NARA. (U)

[114]"SC Munich Present and Discontinued Contacts." See also SAINT, AMZON to SAINT, Washington, 1 March 1946, LWX-TS-10, (U), in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 287, (no folder listed), NARA. For further details, see Ulrich Wirth, [redacted] DO Records. Contact with Wirth ended after 1948 although the Agency noted that Wirth accompanied the West German chancellor on a visit to the United States in 1964. (S)

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Holtsman's contact with *Oberst* Heinz Schmalschlager, who had commanded *Leitstelle III/Ost der Frontaufklarung*, or the German *Abwehr's* counterintelligence branch on the Eastern Front, was an important, but limited, success for X-2.[115] Born in France in 1898, Schmalschlager surrendered to American forces in May 1945.[116] Holtsman's contact with Schmalschlager (via Mueller and a former *Abwehr* officer, Karl Suess) later that year coincided with SSU's shift from targeting Nazi resistance groups to collecting information on foreign intelligence services operating in Germany.[117] Schmalschlager became a desirable contact for his knowledge of the Red Army. In November, Schmalschlager came to Munich to meet with Holtsman, who promptly submitted a plan to X-2 to use the German intelligence officer and his contacts "for a thorough interrogation into the past activities" of the *Abwehr* on the Eastern Front.[118]

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[115]AB-17 [Cutler], AMZON, to SAINT, "Vetting of Heinz Schma[l]schlager," 28 November 1945, LX-003-1128, enclosing B. Holtsman to Commanding Officer, SSU/X-2 Germany, "Heinz Schmalschlager (former Oberst)," 14 November 1945, (S), in DO Records, [redacted], Box 1, Folder 11, CIA ARC. (S)

[116]See ibid for details about Schmalschlager's biographical details with particular emphasis on his military intelligence service. See also Letter, Hans Buchler to the author, 22 January 2001, in CIA History Staff files. (S)

[117]Lenington, Deputy Chief, SSU/X-2, Germany to SAINT, Washington, "Semi-Monthly Reports," 12 December 1945, LMX-005-1130, enclosing Timm to Commanding Officer, SSU/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 31 October 1945, LMX-005-1130, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 275, (no folder listed), NARA. Karl Suess, known as GUMDROP, was also a member of the *Abwehr* and a Nazi party member. He retained his post as a German customs inspector through the assistance of X-2. At the same time that Holtsman learned about Schmalschlager through Suess and Mueller, he also recruited Suess as an agent through Mueller. See "SC Munich Present and Discontinued Contacts." (S)

[118]Lenington, Deputy Chief, SSU/X-2, Germany to SAINT, Washington, "Semi-Monthly Reports," 12 December 1945, LMX-005-1130, enclosing Timm to Commanding Officer, SSU/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 15 November 1945, LMX-005-1130, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 275, (no folder listed),

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Holtsman described what he expected to accomplish with Schmalschlager (whom he now dubbed MALT):

> It is felt that even an extensive 'interrogation' done in the usual catechistical way, would not cover all of his knowledge and experience on the Eastern Front. Since MALT is energetic and appears to be thorough and systematic, and since he has directed an important unit of the *Abwehr*, and moreover, since he is cooperative and willing to contact his friends who are experts on the subject– he should have the chance of checking his own information (which he will give us before any of his friends are contacted) and enlarging upon it having all members of his former staff in the same house. MALT, of course, is not doing this for the love of the Americans and democracy, but because he has a reasonable hope of having his 'active cooperation' listed on his record. It is also evident that he, having worked for years in this field, would not like to have the results of this work 'unappreciated and wasted.'[119] (U)

Schmalschlager provided Holtsman with extensive details about the Soviet intelligence services, the organization of German counterintelligence on the Eastern Front, and the location of other German intelligence personnel and records. In 1946, SSU stated that the MALT reports "were the first comprehensive study of the Russian

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NARA. See also AB-43 [Holtsman] to Commanding Officer, X-2 Germany, "Proposed Action for MALT Operation," 14 November 1945, (S), in Heinz Schmalschlager, [redacted] DO Records. (S)

[119]Lenington, Deputy Chief, SSU/X-2, Germany to SAINT, Washington, "Semi-Monthly Reports," 12 December 1945, LMX-005-1130, enclosing Timm to Commanding Officer, SSU/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 15 November 1945, LMX-005-1130, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 275, (no folder listed), NARA. (U)

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intelligence services to come to the attention of the American intelligence services."[120] In early January 1946, Holtsman, however, learned to his chagrin that the Army's Counter Intelligence Corps had arrested Schmalschlager as an "automatic arrestee" when he visited his home in Nuremberg. In reporting the arrest, Holtsman downplayed it by saying that it will not "seriously interfere with our investigation into the activities of *Leitstelle III/Ost*." Holtsman planned to draw upon other officers under Schmalschager's command as well as additional German wartime records that he hoped to obtain.[121] (S)

Army G-2 quickly recognized Schmalschlager's importance and transferred him to its special interrogation center at Oberursel, where it had gathered other German intelligence officers with Eastern Front experience.[122] SSU, in turn, provided the Army with copies of the MALT report, which formed the basis of the Army's interrogations of

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[120]For a description of MALT's work for X-2, see [redacted] to Acting Chief, FBM, "Schmalschlager, Heinz. Code Name: MALT," 4 December 1946, LBX-002-201, (S), in DO Records, [redacted] Box 1, Folder 6, CIA ARC. (S)

[121]Holtsman, SCI, Munich, to the Officer in Charge, "MALT Operations," 6 January 1946, (S), in Schmalschlager, [redacted], DO Records. Holtsman also tried to deflect any criticism about SSU's use of Schmalschlager by reminding his superiors that CIC had been informed of his employment in November 1945. (S)

[122]For examples of Allied reporting on *Abwehr* activities in the East, see Headquarters, Third United States Army Interrogation Center (Provisional), Interrogation Report No. 40, "Frontaufklaerungskommandos (FAK)" 9 September 1945, in Record Group 338, Records of United States Army Commands, Entry [], Box [], Folder [], NARA; Supreme Headquarters, Allied Expeditionary Force (SHAEF), Counter Intelligence War Room, Situation Report No. 143, "FAK 301," 11 December 1945, in Record Group 165, Entry 179, Box 705, NARA; SHAEF, Counter Intelligence War Room, Situation Report No. 195, "Leitstelle III Ost (Walli III)," 18 December 1945, in Record Group 319, Records of the Army Staff, Dossier XE 013988, NARA; and Headquarters, USFET, Military Intelligence Service Center, CI Consolidated Interrogation Report (CI-CIR) No. 16, "German Methods for Combatting the Soviet Intelligence Service," 3 June 1946, (U), in Kevin C. Ruffner, *Forging an Intelligence Partnership: CIA and the Origins of the BND, 1945-49*, 2 vols. (Washington, DC: Central Intelligence Agency, 1999), Vol. I, pp. 75-91, (now declassified). (U)

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Schmalschlager and other members of the *Abwehr* and *Fremde Heer Ost.*[123] The Army's work at Oberursel in 1946 marked the beginning of what evolved into the Gehlen Organization, although the Army's arrest of Schmalschalger ended SSU's brief effort to set up its own network using German intelligence officers.[124] (S)

The Central Intelligence Agency had only limited contact with Schmalschlager in the years after his arrest. [redacted] a new member of the Munich Operations Base, visited with Schmalschlager on several occasions in 1948 and 1949, just after his release by the Army. Schmalschlager, who had returned to Nuremberg to rebuild his business, expressed an interest in remaining on the Agency's books as an "informal, unpaid adviser." The Agency, in turn, proposed to Schmaschlager that he meet with his former officers to prepare reports on various German activities against the Soviets. Beyond a vague idea of placing Schmalschlager in a new West German police force, [redacted] reported that "for the time being, MOB will continue to use AVOCET

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[123]For information provided by Schmalschlager to the Army, see SC, AMZON to SC, Washington, "Transmittal of MISC Special Report," 11 February 1947, MGH-005-211, (S), enclosing 7707 Military Intelligence Service Center, CI Special Report No. 32, "Operations and Experiences of Frontaufklaerung (FA) III Ost during the Eastern Campaigns," 27 January 1947, CI-SR/32. (S)

[124]SAINT, AMZON to SAINT, Washington, "Russian Experts of German Intelligence Service," 8 January 1946, (S), in Ruffner, *Forging an Intelligence Partnership*, Vol. I, pp. 67-71. See also SAINT, AMZON to SAINT, "Review of Activity since 10 December 45 to 10 September 46," 17 September 1946, L-101-910, enclosing AB-43 [Holtsman], Munich to AB-51 [Hecksher], AMZON, "Review of Activity since 10 December 1945 to 10 September 1946,"10 September 1946, (S), in DO Records, [redacted] Box 1, Folder 14, CIA ARC. (S)

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[Schmalschlager's new codename] as an occasional source and living reference on *Abwehr* wartime experiences."[125] (S)

Despite his reluctance to work for CIA, the Agency remained interested in Schmalschlager's activities. Through a wartime Ukrainian contact of Schmalschlager's, the Agency monitored him throughout the 1950s. Other contacts reported that Schmalschlager had turned down offers to join various West German governmental agencies and that he had been an unsuccessful candidate for a post with the Bavarian *Landesamt fur Verfassungschutz* (LfV). Schmalschlager joined the Gehlen Organization's counterespionage section in 1953. His role in the Gehlen Organization and later the BND, however, appears to have been limited; he did not move to the headquarters near Munich. After 1961, the Agency lost interest in Schmalschlaeger and his file ends abruptly. Schmalschlaeger lived in Nuremberg until his death in 1972.[126] (S)

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[125]Chief of Station, Karlsruhe to Chief, FBM, "AVOCET," 25 April 1949, MGM-A-1111, (S), in Schmalschlager, [redacted], DO Records. [redacted] had visited Schmalschalger at the European Command Intelligence Center (ECIC) in Oberursel in July 1948 to discuss his future plans as an intelligence operative. The Agency wanted to know about Schmalschlager's connections with the Gehlen Organization that had started at Oberursel. As it turned out, Schmalschlager intensely disliked Hermann Baun, one of the top members of the nascent West German intelligence service. At the same time, Headquarters was apprehensive of becoming involved with former *Abwehr* personnel because of their close collusion with the Gehlen Organization, still under the control of the US Army. See Chief, Munich Operations Base, to Acting Chief of Station, Karlsruhe, "An Interview with AVOCET at ECIC," 12 July 1948, MGM-A-612, (S); and Chief, FBM, to Chief of Station, Karlsruhe, "AVOCET," 11 August 1948, MGK-W-580, (S), both in Schmalschlager [redacted] DO Records. (S)

[126]For further information on Schmalschlager's activities (known initially as AVOCET and later as CANDIDA) in the 1950s, see numerous entries in Schmalschlager, [redacted]

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FAMINE (U)

Several months before Bill Holtsman learned about Heinz Schmalschlager, X-2 in Munich recruited a member of the *Abwehr* as a source of information on the German military intelligence service. Like Schmalschlager, this officer fell under the Army's roundup of all mandatory or "automatic arrestees." On 5 July 1945, Capt. Timm in Munich sent a routine cable to Lt. Col. Berding at X-2 headquarters announcing Sgt. Holtsman's arrest of *Oberleutnant* Murad Ferid. Berding, in turn, relayed the Third Army SCI Detachment cable to the War Room in London for additional traces. This marked the beginning of X-2's short-lived, but intensive, use of this rather unusual German officer.[127] (S)

The War Room, indeed, was interested in Ferid and ordered Timm to make him available for further interrogation. Until his arrest, Allied intelligence only knew that Ferid, with his *Abwehr* codename of Dr. Foerster, was an important German intelligence officer who had reportedly served in Greece. Beyond numerous references to his work in building agent networks in the Balkans, the Allies had little direct knowledge of his actual operations.[128] (S)

DO Records. (S)

[127]Cable, Timm to Berding, relayed to London, 5 July 1945, (S), in Bey Murad Ferid, [redacted] DO Records. (S)

[128]For a summary of Ferid's wartime activities, as summarized by Allied intelligence (primarily British), see annotated OSS Form 1652a and additional card entries in Ferid, [redacted] DO Records. (S)

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Born in 1908 in Salonika in what was then the Ottoman Empire, Ferid was the son of a Turkish army officer and a Polish mother. After his father's death, Ferid moved with his mother to Munich. His grandfather, in fact, had been the honorary consul of the United States in Munich for many years, and Ferid had relatives in America. After being wounded in action in Russia, Ferid joined the *Abwehr* and because he spoke seven languages, he was posted to Athens. In 1942, he married a German woman, and they had a daughter two years later. Ferid remained with the *Abwehr* as a referent on Turkish and Middle Eastern matters when the RSHA *Amt VI* took over the military intelligence service in 1944. At the end of the war, Ferid, along with other members of the *Militarisches Amt*, evacuated Berlin and moved to the Bavarian Alps. With the final collapse of the Third Reich, Ferid deserted his unit in Bavaria and simply rejoined his family at his house in Miesbach, outside of Munich, in late April. Holtsman learned about him in early July. (S)

Holtsman used Ferid as a "bird dog" to search out other members of his wartime organization. On 12 July, he drove Ferid to Reit im Winkl, a village in the Alps on the Austrian-German border. Getting out of the car before reaching the town, Ferid walked into Reit im Winkl pretending to be a German soldier who had been released by the French in Austria and was now making his way home. Ferid told townspeople that he had no US discharge papers and thus had to watch out for the Americans until he could

obtain his official release.[129] Information gathered from other German veterans in the village allowed him to locate several intelligence officers. (U)

The SCI Detachment expressed its pleasure with Ferid and gave him a lunch of K Rations. "Ferid's cooperation" in this matter was exemplary. Holtsman wrote: "He acted as though it was his own personal responsibility to locate these people. He is intelligent and trustworthy."[130] (U)

The CI War Room in London, which had been informed of Ferid's mission in Reit im Winkl, pressed the SCI Detachment to obtain information about Ferid's activities in Greece.[131] Holtsman's two interrogations elicited extensive lists of names of individuals with whom he had served in Germany, Greece, and elsewhere. Ferid provided X-2 with a unique perspective on German operations in the Balkans, a theater of the war in which British intelligence had dominated.[132] (S)

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[129]Lt. Col. Berding, Chief, X-2/Germany, to Chief, Counter Intelligence Branch, G-2, USFET, "Dissolution Mil Amt D," 26 July 1945, LWX-53, enclosing SCI Twelfth Army Group, Munich, to Commanding Officer, X-2/Germany, "Mil Amt D, Its Removal from Reit-im-Winkel and Final Dissolution," 13 July 1945, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 287, [no folder listed], NARA. A copy of this document also appears in Ferid, [redacted] DO Records. A summarized form of this report also appears in Cable, SCI Detachment, Third Army to X-2/Germany, "Donald & Holtsman Report," 13 July 1945, 985, (S), in Ferid, [redacted], DO Records. (S)

[130]Ibid. (S)

[131]Cable, X-2/Germany to SCI Detachment, Third Army, 18 July 1945, 467, (S), in Ferid, [redacted] DO Records. X-2 in London also wanted SCI in Munich to get Ferid to identify a German agent known as SOCRATES. X-2 in Athens had arrested Doris Papara and wanted to know if she was Ferid's agent. X-2 in Greece also expressed interest in ascertaining collaboration between the Bank of Athens and the Nazi occupiers. See Cable, X-2, London to X-2/Germany, 31 July 1945, London 4317, (S), in Ferid, [redacted] DO Records. (S)

[132]Lt. Col. Berding, Chief, X-2/Germany, to Chief, Counter Intelligence Branch, G-2, USFET, "Interrogation of Oblt. M. Ferid," 30 July 1945, X-1691, (S), enclosing SCI Twelfth Army Group

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Because of his demonstrated reliability, Holtsman submitted Ferid's name as a prospective "penetration/informer agent" on 23 July. In Holtsman's opinion, Ferid's recruitment as an American agent would "maintain contact with a person whom we feel we can trust, who knows the German intelligence, whose position as a lawyer would keep him informed as to what is going on in Bavaria, who would remain our constant reference file to be consulted on old German *Abwehr* personnel." To place him in a position of usefulness, Holtsman made arrangements with the Military Government in Miesbach to appoint him as a county prosecutor.[133] (S)

But Ferid had already been arrested by the Army's Counter Intelligence Corps on 21 July. Army headquarters in Frankfurt ordered his arrest without notifying X-2. Holstman reported that Ferid's arrest "causes us great embarrassment in our relation with the Miesbach CIC and with the Miesbach MG, who already have been approached re. placement of Ferid in an attorney's position under MG jurisdiction." Holtsman now had to explain why the Army had changed its mind about the German officer. "It should be

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to Commanding Officer, X-2/Germany, "Supplement to the Interrogation of Oblt. M. Ferid," 28 July 1945, X-1691, (S); see also SCI Twelfth Army Group to Commanding Officer, X-2/Germany, "Oberleutnant Dr. Murad Ferid," 11 July 1945, X-1396, (S), both in Ferid, [redacted] DO Records. (S)

[133]SCI Twelfth Army Group to Commanding Officer, X-2/Germany, "Vetting Form of Dr. Murad Ferid," 28 July 1945, X-1692, enclosing SCI Twelfth Army Group to Commanding Officer, X-2/Germany, "Vetting Form of Dr. Murad Ferid," 23 July 1945, X-1692, including XYZ-1 (Short Form), (S), in Ferid, [redacted] DO Records. Ferid continued to provide Holtsman with additional information. For example, see 1st L. Edward R. Weismiller, Chief, Operations, X-2/Germany, to X-2, Washington, "Activities of Dr. Wagner @ Dr. Wendell – Plans for Abdul Ghani," 31 July 1945, X-1621, (S), enclosing SCI Twelfth Army Group to Commanding Officer, X-2/Germany, "Activity of Sonderfuhrer Dr. Wagner alias Dr. Wendell; His Plans for Abdul Ghani," 23 July 1945, X-1621, (S), in Ferid, [redacted] DO Records. (S)

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noted here" Holtsman reminded X-2 headquarters, "that Ferid's cooperation with us has been outstanding: he cheerfully did all that we asked of him. The treatment which he received at USFET will have a direct bearing on his trust in this office."[134] (S)

Lt. Edward R. Weismiller, X-2's chief of operations in Germany, told the SCI Munich Detachment that Ferid's arrest had come about when Lt. Col. Lord Rothschild, the British liaison officer, read about the German officer and asked for his apprehension. "The authorities at CIB [Counter Intelligence Branch at USFET headquarters] directly responsible for this action were extremely apologetic, and have acknowledged their error in not checking into the matter more thoroughly before requesting Ferid's arrest." Weismiller felt certain that the Army would take measures to avoid such "premature arrests in the future."[135] (S)

Despite Ferid's arrest, Capt. Timm and Sgt. Holtsman still planned to use him as a source for OSS. In a project outline dated 13 August 1945, X-2 noted that Ferid is a "cosmopolite and not a Nazi." He had cooperated with the Americans "unstintingly." His placement as a criminal prosecutor would enable X-2 to keep an eye on nascent underground movements in southern Bavaria.[136] The Army finally discharged Ferid on

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[134]Ibid. (S)

[135]Lt. Edward R. Weismiller, Chief, Operations, X-2/Germany, to SCI Detachment, Third Army, "Arrest and Transferral of Murad Ferid to EAGLE I.C. Ref. Your Cable 056 of 26 July," 30 July 1945, X-1703, (S), in Ferid, [redacted] DO Records. See also Extract, Maj. John B. Oakes to Maj. Saxe, Counter Intelligence Branch, G-2, USFET, 1 August 1945, (S), in Ferid, [redacted], DO Records. (S)

[136]X-2/Germany, "Penetration Project for the Third Army Territory," 13 August 1945, X-2186, (S), in Ferid [redacted], DO Records. (S)

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27 August.[137] He had been a model prisoner and provided the Army with substantial information that supplemented the earlier reports submitted by Holtsman.[138] Even before his release by the Army, X-2 had approved of Ferid's use as an agent by Timm and Holtsman. (S)

Now known as FAMINE, Ferid returned to his home in Miesbach and worked on minor taskings that Holtsman gave him.[139] In September, X-2 reported that Ferid was under consideration to become an assistant to Josef Mueller in a new Bavarian Government.[140] Timm considered Ferid a "high class" agent and wanted to use him to infiltrate the *Bayrische Freiheits Bewegung*, a separatist movement that sought Bavaria's independence from Germany. Likewise, Ferid also provided leads to German-speaking

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[137]Cable, AB-21 [identity unknown] to AB-12 [Timm], 14 August 1945, (S); Cable, AB-21 [identity unknown] to AB-12 [Timm], 22 August 1945, (S); Cable, AB-00 [identity unknown] to AB-12 [Timm], 24 August 1945, (S); and Maj. Robert T. Longstreth, CI Section, USFET MIS Center to Whom It May Concern, 27 August 1945, [no classification listed], all in Ferid, [redacted], DO Records. (S)

[138]See Headquarters, USFET, Interrogation Center, Preliminary Interrogation Report (PIR) No. 42, 3 August 1945, (C). Follow-up reports, based on questions obtained from intelligence consumers, are found in Headquarters, USFET, Military Intelligence Service Center (MISC), CI Intermediate Interrogation Report (CI-IIR) No. 26, 18 October 1945, (C); and Headquarters, USFET, MISC, CI Intermediate Interrogation Report (CI-IIR) No. 44, 18 January 1946, (C); and Headquarters, USFET, MISC, CI Final Interrogation Report (CI-FIR) No. 81, 30 January 1946, (C), all in Ferid, [redacted], DO Records. (C)

[139]Cable, AB-21 [identity unknown] to AB-12 [Timm], 20 August 1945, (S), in Ferid, [redacted] DO Records. (S)

[140]Capt. Timm to Commanding Officer, X-2/Germany, and G-2, Counter Intelligence Branch, Third Army, "Semi-Monthly Operations Report," 15 September 1945, G-TSX-3310, (S), in DO Records, [redacted] Box 3, Folder 21, CIA ARC. (S)

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refugees from Romania settling in Bavaria, which also provided insights into the state of affairs in Romania.[141] (S)

Ferid's utility as a source diminished when American worries of an underground Nazi movement receded. By early 1946, Ferid had been reduced to minimal taskings, and Holtsman soon listed him as dropped.[142] Holtsman, nonetheless, approved the use of Ferid as a letterbox for a project run by the Austrian Mission. CIG wanted to use a former concentration camp inmate, Anton Rychlowski, to return to Poland to establish contact with Polish resistance and obtain information on Soviet activities there.[143] The use of Ferid in a sensitive operation raised questions at the Austrian Mission and at Headquarters in Washington. Ferid was considered too visible and too well known as an *Abwehr* officer to be used in "what is supposed to be high-grade United States counter-intelligence activities." Headquarters, in fact, had had no updates on Ferid's activities

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[141]Lt. Lenington, Deputy Chief, SSU/X-2, Germany to SAINT, Washington, "Semi-Monthly Reports," 12 December 1945, LMX-005-1130, enclosing Timm to Commanding Officer, SSU/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 31 October 1945 and 15 November 1945, LMX-005-1130, both reports in WASH-REG-INT-163, RG 226, Entry 108A, Box 275, (no folder listed), NARA. (U)

[142]SAINT, AMZON to SAINT, Washington, "Review of Activity since 10 December 1945 to 10 September 1946," 17 September 1946, (S), enclosing AB-43, Munich [Holtsman] to AB-51, AMZON [Hecksher], "Review of Activity since 10 December 1945 to 10 September 1946," 10 September 1946, L-010-910, (S), in DO Records, [redacted] Box 1, Folder 14, CIA ARC. (S)

[143]DD-102 [identity unknown] to Chief of Mission, "VERONAL Project," 31 October 1946, SBX-55, (S), in Ferid, [redacted], DO Records. (S)

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since the end of 1945.[144] By the end of March 1947, Security Control terminated the project and with it the use of Ferid.[145] (S)

The Agency later learned that Ferid had joined the Gehlen Organization but could not determine his exact role.[146] In the fall of 1951, [redacted] visited Munich and met with Ferid, now a district attorney and instructor at the University of Munich's law school. Ferid told [redacted] that he had a contact within the Gehlen Organization who worked on dispatching German agents into Czechoslovakia. This contact, Ferid indicated, felt that the Gehlen Organization sent poorly trained agents behind the Iron Curtain. Ferid said that the man's conscience bothered him and that "he would like to work for an agency that is more concerned with the life of the agents it employs." [redacted] told the German Station that Ferid might be a "possible resident agent for CE information in Munich."[147] The German Station at Karlsruhe dismissed the idea of using Ferid or his contact. Any American effort "to penetrate ZIPPER [the Gehlen

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[144]Acting Chief, FBM and DH-136 [identity unknown], "VERONAL Project – SC Aspect," 16 January 1947, X-9180, (S), in Ferid, [redacted], DO Records. (S)

[145] [redacted] to John H. Richardson, "Ferid, Murad, Dr.," 25 March 1947, SBM-60, (S), in Ferid, [redacted], DO Records. A copy of this same document appears in DO Records, Job 76-00780R, Box 402, [no folder listed], CIA ARC. See also SC, Austria to SC, Munich, "VERONAL Project – Dr. M. Ferid," 31 March 1947, LSX-617, (S), in Ferid, [redacted] DO Records. A copy of this same document appears in DO Records, [redacted] Box 402, [no folder listed], CIA ARC. (S)

[146]Chief of Station, Karlsruhe to Chief, FDM, "Dr. Murad Ferid," 15 March 1951, MGL-A-5676, (S), in Ferid, [redacted], DO Records.

[147]Chief of Station, Karlsruhe to Chief, Pullach Operations Base, "Dr. Murad Ferid and Andreas Zitzelsperger," 10 October 1951, MGB-A-10297, (S), DO Records. (S)

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Organization] is more dangerous than its potential value can justify," wrote [redacted] at Pullach.[148] (S)

The Agency's last knowledge of Ferid indicated that he was still in contact with the Gehlen Organization in the Munich area. Agency records do not provide any further information as to Ferid's whereabouts after June 1955.[149] (S)

SLOTH (U)

In March 1946, SSU headquarters in Washington requested that the German Mission locate and interrogate Georg Gerebkov, a 37-year old, Russian-born German who had worked in the "Directorate of Affairs of Russian Emigrants in France" for the "*Russiche Abteilung*" during the Nazi occupation.[150] As a part of the overall shift from targeting German wartime organizations to the new Soviet threat, US intelligence wanted to learn from Gerebkov about his work in registering all Russians in France for the Gestapo and about his recruitment activities for German army and labor organizations.

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[148]Acting Chief, Pullach Operations Base, to Chief of Station, Karlsruhe, "Operational," MGL-A-8965, (S), in Ferid, [redacted] DO Records. (S)

[149]See UJVENTURE Worksheet in Ferid, [redacted] DO Records. The worksheet, compiled by CIA analysts over the period of years after the Agency took over the Gehlen Organization indicates that Ferid was a member of the Gehlen Organization prior to March 1948. The final entry on the worksheet is April 1955. (S)

[150]Gerebkov's own account of his collaboration with the Nazis and that of other Russians in France is found in SAINT, AMZON to SAINT, "Russian Emigration and Its Cooperation with the Germans against the Soviets," 21 June 1946, LWX-463, (S), enclosing SCI Detachment, Munich to Commanding Officer, SSU/X-2 Germany, "Russian Emigration and Its Cooperation

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SSU believed that Gerebkov's records "would be of interest to us as well as the voluminous information he must have at his fingertips on the activities and organizations of the Russians in France."[151] (S)

Gerebkov (whose name had numerous variants) was the grandson of an Czarist general. An actor and dancer in the 1930s, he later served as the director of the Russian Office for Confidential Affairs in Paris where he met Lt. Gen. Andrey Vlasov in February 1943. Vlasov, one of Stalin's leading officers and the hero of the battle of Moscow in December 1941, fell into German hands six months later. Having lost faith in the Soviet system, Vlasov agreed to head the Russian Liberation Movement (ROA) to cooperate with the Germans against the communists. While Vlasov's work on behalf of the Germans was often frustrated by opposition at the highest levels of the Third Reich, thousands of former Soviet prisoners of war took up arms and served against the Allies during the latter part of the war.[152] (U)

Gerebkov organized a large rally for Vlasov in Paris in July 1943 and later handled Vlasov's political affairs with the Germans and other nations. He unsuccessfully attempted to broker a separate truce between the Vlasovites and the Western Allies at the

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with the Germans against the Soviets," 12 April 1946, (S), in DO Records, [redacted], Box 1, Folder 9, CIA ARC. (S)

[151]SAINT to SAINT, AMZON, "George (Yourii) Gerebkoff," 19 March 1946, X-4157, (S), in Georg Gerebkov, [redacted] DO Records. (S)

[152]Catherine Andreyev, *Vlasov and the Russian Liberation Movement* (Cambridge: Cambridge University Press, 1987). See also Jurgen Thorwald, *The Illusion: Soviet Soldiers in Hitler's Armies*, trans. by Richard and Clara Winston (New York: Harcourt Brace Jovanovich, 1975). (U)

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end of the war.[153] When the end came, Grebekov escaped repatriation to the Soviet Union—unlike most Russians who supported the Nazis.[154] He instead found refuge as an employee of the United Nations Relief and Rehabilitation Administration (UNRRA) in the American zone. As early as February 1946, two of Bill Holtsman's agents in Munich reported that they had seen Gerebkov in the city and had tried to make contact with the Russian.[155] (S)

Two months later, Bill Holtsman interrogated Gerebkov about his wartime activities. Following this meeting, Holtsman listed several differences between what Washington knew about the Russian and what he claimed to be the truth. Gerebkov denied that he had joined the Nazi party after his arrival in Germany in the 1930s. He also said that he was never a member of the SS although "his work among the Russian emigrants was of necessity directed by RSHA *Amt VI*." Gerebov also claimed that he did not spread propaganda against the Allies and that "professed anti-Semitism never caused him to denounce or persecute the Jews." Rather, Gerebkov's attitude against the Jews

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[153]Sven Steenberg, a German soldier, who served on Vlasov's staff is the source of this information about Gerebkov. See Sven Steenberg, *Vlasov*, trans. Abe Farbstein (New York: Alfred A. Knopf, 1970), pp. 110-112; 181-182; 185-186; and 213. (U)

[154]In fulfillment of the terms of the Yalta Agreement, the Americans and British repatriated over a million Soviet soldiers who had been prisoners of war, forced laborers, as well as members of the Vlasov Army in 1945. By August of that year, the US Army had returned over 90 percent of the Soviet citizens in the American zone in Germany. The remainder, estimated at nearly 40,000, refused to return to their homeland. American soldiers forced many of these Russians into communist hands, including many Vlasov followers. An unpleasant task, the repatriation of thousands of Russians to the Soviet Union by the Western Allies during 1945-46 remains controversial to this day. Earl F. Ziemke, *The US Army in the Occupation of Germany 1944-1946*, pp. 284-291 and 413-421. (U)

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"was based on the principle that it was through the Jews that communism was brought to Russia; it was then, merely another expression of Gerebkov's anti-communism." Gerebkov, likewise, professed that he was not anti-Western and denied that he genuinely supported the Nazis.[156] (S)

French authorities, in the meantime, sought to try Gerebkov for his wartime activities. In fact, a French court sentenced him in absentia to 20 years at hard labor in June 1948. Instead of surrendering Gerebkov to the French for his collaborationist activities, however, Security Control in Munich used him to provide leads to other White Russian individuals and groups in southern Germany. Through Gerebkov (known initially as SLOTH), [redacted] recruited three subagents who also provided information to the Americans.[157] In addition, Gerebkov was tapped as a source of information about the Russian anticommunism movement in western Europe.[158] (S)

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[155]SCI Munich, "Gerebkoff," 22 February 1946, (S), in George Spitz, [redacted] DO Records. (S)

[156]SAINT, AMZON to SAINT, "Gerbkov, Georg," 24 April 1946, LWX-TS-96, (S) in Gerebkov, [redacted], DO Records. (S)

[157]The three subagents were Victor A. Larionov (GULL); George Konstantinovich von Meyer (CLIP), and Sergei Froehlich (PRUNE). Larionov lived in the French zone in Germany and provided information about Russian activities there. He remained a subject of CIA's counterintelligence interest into the late 1960s. For details, see Victor A. Larionov, [redacted] DO Records. Froehlich, a Latvian of German ancestry, served as a liaison officer with the Vlasov Army. Information about Froehlich's role with Vlasov is found in Steenberg, *Vlasov*, pp. 93, 123, 125, 142, and 185. Dropped as an agent by [redacted] in early 1948, Froehlich continued to be active in various intelligence circles in Cold War Germany. For a summary of Froehlich's record, see Chief, EE to Chief of Station, Frankfurt and Chiefs of Base, Bonn and Munich, "Sergei BERNHARDowitsch Froehlich aka Sergei Borrissowitsch Orlov," 24 January 1963, EGNW-2936, (S), in Sergei BERNHARDowitsch Froehlich, [redacted] DO Records. (S)

[158]Holtsman's reporting about Russian personalities in Munich, based on Gerebkov's information, is found in WASH-X-2-PTS-134 and 135, RG 226, OSS Records, Entry 171A, Box

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[redacted] use of former Vlasov personnel as sources prompted mixed reactions in Germany and in Washington. Wartime activities and disdainful political affiliations were receding into the past, considered to be less relevant after 1946.[159] Instead, Washington criticized the use of the Vlasovites because "most of the contacts which we are cultivating in Munich are not worth the time and effort spent on them." The identification and targeting of Soviet intelligence officials would be far more productive than "concentrating as much as we have on doubtful and low level White Russian sources of information." Headquarters feared that "we are getting away more and more from arriving at primary aim."[160] (S)

In Gerebkov's case, the CIA dropped him as an agent in 1949 after a review of his production in Munich found the Russian not worth the Agency's time and effort.

67, Folders 821 and 822, and WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Boxes 285, 287 and 288, (no folders listed). Examples of declassified reporting at the National Archives from Gerebkov, Larionov, and Von Meyer include SCI/Munich, Report No. 1, "NKVD Activity in the Vic. Of Bodensee," 26 May 1946, LWX-TS-193, and Munich, AB-43 [Holtsman], "Liquidation of the Russian Emigration in Yugoslavia," 10 August 1946, MSC-278, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Boxes 288 and 285 (respectively), (no folders listed), RG 226, OSS Records, NARA. For Gerebkov's reporting on the wartime activities of the anticommunist Russian groups, see SAINT, AMZON to SAINT, Washington, "Russian Emigration and Its Cooperation with the Germans against the Soviets," 21 June 1946, LWX-463, enclosing B.A. Holtsman to Commanding Officer, SSU/X-2 Germany, "Russian Emigration and Its Cooperation with the Germans against the Soviets," 12 April 1946, (S), in DO Records, Job 91-00976R, Box 1, Folder 9, CIA ARC; and SC, AMZON to FBM for SC, Washington, "Russian Communism Activity in France – SLOTH," 8 April 1947, MGH-H-70, (S), in DO Records, [redacted] Box 8, Folder 158, CIA ARC. (S)

[159]For example, FBM in Washington conducted a name trace for the [redacted] in January 1947. In its negative reply, Headquarters queried [redacted] why it had wanted to know if the individual was a Nazi. "Straight political affiliations," Washington declared, "or background of persons should not be our concern." SC, FBM to SC, [redacted] "Max Herger," 27 January 1947, X-9214, (S), in DO Records, [redacted] Box 6, Folder 128, CIA ARC. (S)

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Headquarters made this decision despite the protests of American case officers, who noted that his conviction by the French "gives us practically complete control over CANAKIN's life," as Gerebkov was now designated by CIA.[161] He soon vanished from sight, only to reemerge briefly in 1961 when a CIA officer met him at a cocktail party in Madrid and suspected that he was a BND agent. (S)

RADISH (U)

By the spring of 1946, X-2 in Munich had clearly shifted from looking for former German intelligence officers who knew about wartime operations to a wider variety of individuals believed to possess information on the Soviet Union. At the same time that SSU searched for Georg Gerebkov in Munich, a former member of OSS, Jean M. Fisher, now a UNRRA security officer near the city, informed Bill Holtsman about Leonid Isaakiewitch Tschoudnowsky, a Russian-born émigré now working with the UNRRA in Pasing. (S)

Born in 1888 in Ekaterinoslav, Russia, Tschoudnowsky had served in the Russian Imperial Army and had earned several decorations. During the Russian Civil War, he fought with Gen. Anton Denikin against the Bolsheviks and rose to the rank of captain.

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[160]SAINT to SAINT, AMZON, "Dissemination of RIR's," 27 August 1946, XA-340, in WASH-REG-INT-112, RG 226, OSS Records, Entry 108B, Box 286, (no folder listed), NARA. (U)
[161]Chief of Station, Karlsruhe to Chief, FBM, "Developmental Project CANAKIN," 24 February 1949, MGM-A-975, (S); Gerebkov was dropped per orders found in Chief, FBM to

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The Red defeat of Denikin's forces and those of Gen. Peter Wrangel in southern Russia prompted the evacuation of the survivors to Constantinople. Like many White Russians, Tschoudnowsky was caste upon foreign shores; in his case, he settled in Yugoslavia.[162] (S)

Tschoudnowsky quickly got on his feet in Yugoslavia becoming a prefect with the Belgrade police. With the German invasion, the Nazis reportedly forced Tschoudnowsky out of the government because of his Jewish background (Fisher described him as a "Christian Jew"). According to one note, the Germans had placed Tschoudnowsky in a concentration camp but released him when they learned of his anticommunist past. When Soviet troops liberated Yugoslavia, Tschoudnowsky fled the country with his wife and ended up in Bavaria. In August 1945, he joined the UNRRA, holding various job titles as assistant security officer, legal officer, and employment manager. Fisher, in bringing Tschoudnowsky to Holtsman's attention, noted that the Russian émigré was "a perfect type of informant; he is a 'father-confessor' to many of the UNRRA and DP people in Munich; he has police experience, good memory, is a willing worker." Fisher, who had served with OSS Secret Intelligence during the war, raised a point of concern to which he

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Chief of Station, Karlsruhe, "CANAKIN Project," 17 August 1949, MGK-W-2695, (S), both in Gerebkov, [redacted], DO Records. (S)

[162]For biographical details, see various index cards and background material in Leonid Isaakowitch Tschoudnowsky, [redacted] DO Records. (S)

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had no answer: "Did he **ever in any** [original emphasis] way collaborate with the Germans?"[163] (S)

As early as April 1946, Tschoudnowsky, reporting through Fisher, was the source for dozens of "spot reports" on members of the White Russian émigré community in Munich as well as on Soviet intelligence operations in southern Germany. In June, X-2 formally requested that Tschoudnowsky be vetted as an agent.[164] In July, Holtsman gave Tschoudnowsky a pass requesting both the Military Police and the German police to permit him to drive a vehicle on Saturdays and Sundays on official business.[165] (S)

Tschoudnowsky's reporting focused on individuals that he encountered during the course of his work for the United Nations. In August 1946, for example, Tschoudnowsky told Holtsman what information he had obtained from Dr. Georg Kossenko, another UNRRA employee in the Munich area. Kossenko, described by Tschoudnowsky as a "honest, positive, anticommunist character," relayed his meeting with a Russian émigré, known by the alias of Philip Sollinger, who had been arrested by the NKVD in July 1945

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[163]SCI/Munich, "Leonid Isaakiewitch Tschoudnowsky," 11 May 1946, MGH-H-26, (S), in Tschoudnowsky, [redacted], DO Records. (S)

[164]SAINT, AMZON to SAINT, Washington, "Vetting of Leonid Isaakiewitch Tschoudnowsky," 15 June 1946, (S); and Cable. AMZON to SSU, 15 June 1946, AMZON 459, IN 38206, (S), both in Tschoudnowsky, [redacted] DO Records. (S)

[165]Pass, signed by Holtsman, dated 12 July 1946, in DO Records, [redacted], Box 1, Folder 11, CIA ARC. (S)

and who claimed to have met several American "agents" in Soviet jails before the Soviets dispatched him to West Germany to spy on the British and the Americans.[166] (S)

By August 1946, Holtsman felt that Tschoudnowsky simply took up too much of his time because his information tended to be of local interest and more suited to the Counter Intelligence Corps. Tschoudnowsky, who served as a cutout to several other agents employed by Security Control, needed to spend more time on collecting information from his subsources.[167] Rather than terminate his services, Holtsman transferred Tschoudnowsky to George Belic, who had just arrived in Munich to work with X-2. When Belic met with Tschoudnowsky in mid-August, the new case officer emphasized that he sought information on foreign intelligence services that could be exploited for double-agent operations. Belic planned to use Tschoudnowsky as a chief cutout to another agent and, while complimenting him for his previous work with Holtsman, explained that his new taskings would be of a "different nature."[168] (S)

Belic soon found himself with a problem. On 19 August 1946, just after Belic met with Tschoudnowsky, Capt. Novakovic, the Yugoslav Repatriation Officer in Munich, demanded that the local CIC office in Bavaria arrest the Russian émigré. The

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[166]AB-43 [Holtsman], "Philip Sollinger and His Experience with the NKVD; *Abwehr* Officer Klaus, and Franciszek Marynowski," 12 August 1946, LWX-897, (S), in Tchoudnowsky [redacted], DO Records. (S)

[167]For example, Tschoudnowsky handled Klavoli Voss (codename ANT), Alexander Chikolov (codename CLAM), Miron Pankevich also known as Michail Pankovski (codename FIDO), Josef Kuznetsov (codename TROY), and a Mrs. Birkholz. For more details on these agents, see "SC Munich Present and Discontinued Contacts." (S)

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Yugoslavs had apparently learned about Tschoudnowsky's presence in Munich and sought his arrest on behalf of the Yugolsav War Crimes Commission. Only through Belic's personal intercession with the local CIC chief did the Americans not detain Tschoudnowsky. From that point on, SSU knew that its agent was vulnerable to communist machinations.[169] (S)

By November 1946, however, the Central Intelligence Group began to express doubts about Tschoudnowsky's veracity. The Philip Sollinger case, as reported to Tschoudnowsky by Kossenko in August, did not match up after the Counter Intelligence Corps looked into the matter. Indeed, Kossenko now denied that he even knew Sollinger or any of the facts of the story. "We are not surprised at the unsatisfactory outcome of this investigation," Henry Hecksher in Heidelberg wrote Bill Holtsman in Munich. "As a matter of fact," Hecksher wrote, "we would have been surprised if Kossenko had told the truth, because it now appears that he himself may be engaged in activities of a conspiratorial nature conducted in the interests of some unidentified Soviet agency. We are also beginning to wonder how RADISH himself fits into the picture."[170] Hecksher

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[168]AB-102 [Belic], Munich, "Personal Observations," 17 August 1946, MSC-301, (S), in Tschoudnowsky, [redacted] DO Records. This same document, cited as XARZ-18284, is found in WASH-X-2-PTS-134, DO Records, [redacted], Box 2, Folder 25, CIA ARC.

[169]AB-102 [Belic] to AB-51 [Hecksher], "RADISH, Attempted Arrest of," 21 August 1946, XARZ-18284, (S), in WASH-X-2-PTS-134, DO Records, [redacted], Box 2, Folder 25, CIA ARC. In early 1947, for example, [redacted] wrote to the chief of the Displaced Persons Control Section in Munich to maintain his status as a displaced person. See [redacted] to Chief, DP Control Section, Munich, "Leonid Tschoudnowsky," 17 March 1947, LWX-913, [no classification listed], in DO Records, [redacted], Box 1, Folder 11, CIA ARC. (S)

[170]AB-51 [Hecksher] to [redacted] "Philip Sollinger," 4 November 1946, MGH-003-1104, (S), in Tschoudnowsky, [redacted] DO Records. (S)

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told [redacted] to present Tschoudnowsky with an ultimatum that he come clean on the Sollinger affair or that the Americans may "have to resort to a confrontation between him and Kossenko." Tschoudnowsky's performance, Hecksher noted, had been lacking and his information had been "largely unsubstantiated and in many instances conjectural." The German Mission's headquarters declared that "RADISH will have to be sharply disciplined by you if we want to continue using him at all."[171] (S)

Tschoudnowsky quickly receded from view after late 1946. Two years later, [redacted], on his reassignment to Munich from Washington, wrote about the possibility of reusing Tschoudnowsky, who had been given the new codename of CAMPHOR.[172] [redacted] in fact, bumped into Tschoudnowsky at a hotel in Munich in early 1949. He learned that the Russian emigre had been working as an agent for CIC and that, while not physically well, he continued to serve as the chief of security police in the Munich area for the International Relief Organization (IRO). Although [redacted] did not plan

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[171] Ibid. On 15 August, Holtsman received a note requesting him to ascertain if Tschoudnowsky worked for Soviets in France. See AB-17 [unknown identity] to AB-43 [Holtsman], "Leonid Tschnoudnowsky," 15 August 1946, LWX-913, (S), in DO Records, [redacted], Box 1, Folder 11, CIA ARC. A week later, Belic sent the German Mission a copy of Tschoudnowsky's *Fragebogen* with answers to his denazification questionnaire. See AB-102 [Belic] to AB-51 [Hecksher], "Tschoudnowsky, Leonid, Vetting Information on," 22 August 1946, [no classification listed], in DO Records, [redacted], Box 1, Folder 11, CIA ARC. The *Fragebogen* and the two photos are not in this folder nor are they present in his 201 file. (S)

[172] "Former MOB Contacts," 8 November 1948, MGK-W-938, [no classification listed], in Tschoudnowsky [redacted] DO Records. (S)

to use Tschoudnowsky, the American case officer felt that the Russian was still a good contact for information on DP personalities and activities.[173] (S)

All contact between the CIA and Tschoudnowsky ended when the Russian applied to immigrate to the United States in 1951. Headquarters in Washington, after learning about Tschoudnowsky's application to the US Displaced Persons Commission, simply noted that it had no derogatory information in its files and asked the German Station to take any necessary steps regarding its old agent.[174] (S)

Opening Act of the Cold War (U)

Between 1945 and 1947, Munich was a place of mystery, confusion, and intrigue, a war played in the shadows. An entire generation of Cold War operations had their genesis in Munich's ruined streets. The operations launched by X-2's [redacted] and [redacted] between 1945 and 1947 set the stage for the rapid expansion of the CIA's Munich Operations Base after 1948. Their contacts tended to be former German Intelligence Service personnel or Eastern Europeans who had supported the Nazi regime in one form or another. The Office of Strategic Services first sought those individuals in the weeks after the war to counteract the threat of a resurgent Nazi

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[173]"Former MOB Contacts," 1 February 1949, MGM-A-943, (S), in Tschoudnowsky, [redacted], DO Records. (S)

[174]Acting Chief, FDM to Chief of Station, Karlsruhe, "CAMPHOR's Application for Entry to the US," 23 May 1951, MGK-W-9036, [no classification listed], in Tschoudnowsky, [redacted], DO Records. (S)

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movement. These same individuals soon proved to be useful to the Straetgic Services Unit, the Central Intelligence Group, and the Central Intelligence Agency for their knowledge on the new threat, the Soviet Union. In its quest for information on the USSR, the United States became indelibly linked to the Third Reich. (S)

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Chapter Four

The RSHA Financial Operation (U)

In November 2000, CBS Television broadcast its efforts to locate hidden Nazi treasures in the deep, dark waters of Lake Toplitz in the *Totes Gebirge* (Range of the Dead) mountains of the *Salzkammergut* region in western Austria.[1] In one of the last desperate acts of the Nazis in World War II, the SS dumped crate loads of money into Toplitzsee, as it is known in German. The money sat undisturbed at the bottom of the lake, measured in some parts at over 300 feet.[2] (U)

CBS, in conjunction with the World Jewish Congress and the Simon Wiesenthal Research Center in Los Angles, hired Oceaneering Technologies, an underwater salvage company that had discovered the *Titanic* as well as conducting several other headline

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[1]Portions of this chapter initially appeared in Kevin C. Ruffner, "Shifting from Wartime to Peacetime Intelligence Operations: On the Trail of Nazi Counterfeiters," (S), in *Studies in Intelligence* (Vol. 46, No. 2, 2002), pp. 41-53. (S)

[2]For information on the Toplitzsee expedition in 2000, see CBS 60 Minutes II, "Hitler's Lake," prod. by Bill Owens, 21 November 2000. See also Associated Press, "American Salvage Crew Ends Search of Austrian Lake," 21 November 2000; Reuters, "'Hitler's Lake' Yields Counterfeit Currency," 20 November 2000; Associated Press, "American Team Begins Mapping Austrian Lake in Search of Nazi Relics," 10 June 2000; Emmanuel Serot, "Underwater Search for Nazi Relics in Austrian Lake," Agence France Presse, 7 June 2000; Julia Ferguson, "Divers Start Hunt for Nazi Loot in Austrian Lake," Reuters, 5 June 2000; Nick Fielding and Shraga Elam, "Titanic Team to Search Lake for Nazi Treasure," *Sunday Times* (London), 4 June 2000; Agence France Presse, "Search for Nazi Documents in Austrian Lake to Start Monday," 4 June 2000; and Julia Ferguson, "Is Austrian Lake a Treasure Trove of Nazi Plunder?," Reuters, 1 June 2000. See also Robert Buchacher and Herbert Lackner, "Das Raubgold der 'Endloser,'" *Profil* 27 (2 December 1996), pp. 56-62 and Walter Mayr, "Mehr als Fische und Falschgeld," *Der Spiegel* (17 January 2000), pp. 140-141. (U)

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expeditions, including the recovery of TWA Flight 800 in 1997. Going far beyond earlier searches of the lake by *Stern*, a German magazine, in 1959 and by the Austrian Government in 1963, CBS wanted to use modern technology to locate the Nazi treasure in Toplitzsee, whose legend had grown over the decades as the "garbage can of the Third Reich."[3] Some felt that the lake contained not only German money and documents, but also gold from the Vatican, and the looted panels of the Russian Imperial Amber Chamber. (U)

For a month in the summer of 2000, Oceaneering mapped the entire lake and then used a sophisticated one-man submarine to scour Toplitzsee's freezing dark bottom. The lake, which has no oxygen below 65 feet, "preserves everything" that falls into the water.[4] Finding Nazi relics, however, would be another matter. Even with modern equipment, the salvage crew faced numerous challenges, ranging from bad weather in the Alps to a lake floor covered by thousands of trees washed into the water over the centuries (the preserved logs are stacked up to heights of 60 feet at the bottom of the lake). As Bill Owen, Oceaneering's dive team leader, admitted, "we have a 50-50 chance of finding what we're looking for."[5] (U)

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[3]As quoted in Fielding and Elam, "Titanic Team to Search Lake for Nazi Treasure," *Sunday Times* (London), 4 June 2000. For information on the 1959 expedition, see "Himmler Papers in Lake," *The Times* (London), 11 August 1959, p. 6; "SS Secrets in Files Raised from Lake," *The Times* (London), 12 August 1959, p. 6; "9M. Pounds 'Bank Notes' Go Up in Flames," *The Times* (London), 19 November 1959, p. 10. (U)

[4]Serot, "Underwater Search for Nazi Relics in Austrian Lake," Reuters, 7 June 2000. (U)

[5]Fielding and Elam, "Titanic Team to Search Lake for Nazi Treasure," *Sunday Times* (London), 4 June 2000. (U)

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Only toward the end of the search period did Oceaneering detect the remnants of wooden crates, which turned out to contain counterfeit British pounds and American dollars. Rabbi Marvin Hier of the Simon Wiesenthal Research Center declared that the results justified the expense of the undertaking even though the anticipated treasures did not emerge from the Toplitzsee. "Had this counterfeiting operation [been] fully organized in 1939 and early 1940," the Holocaust scholar commented, "results of World War II may have been quite different."[6] (U)

In the decades after the war, the search for treasures stolen by the Nazis during World War II has taken both fictional and real-life characteristics.[7] How the Germans obtained their wealth from individual victims and conquered nations and sought to hide it from the Allies is one of the unsolved mysteries of World War II.[8] (U)

Hitler's *Gotterdammerung* (U)

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[6]Reuters, "'Hitler's Lake' Yields Counterfeit Currency," 20 November 2000. (U)

[7]For a fictional look at hidden Nazi wealth and its impact over twenty years after the war, see Helen MacInnes, *The Salzburg Connection* (New York: Harcourt, Brace and World, 1968). Other recent examples of elaborate efforts to recover hidden Nazi wealth include recovery attempts in Greece. See "Rush is on for Nazi Gold in Greek Sea," *New York Times*, 31 July 2000, p. A4; Agence France-Presse, "Search for Nazi Loot off Greece is Unsuccessful," *New York Times*, 16 August 2000, p. A3. (U)

[8]The looting of European art from individual owners, dealers, and museums is one such example. For further information, see Craig Hugh Smyth, *Repatriation of Art from the Collecting Point in Munich after World War II* (Maarsen: Gary Schwartz, 1988) and Lynn H. Nicholas, *The Rape of Europa: The Fate of Europe's Treasures in the Third Reich and the Second World War* (New York: Alfred A. Knopf, 1994). The recovery of Nazi monetary and other wealth is found in Greg Bradsher, "Nazi Gold: The Merkers Mine Treasure," *Prologue: Quarterly of the National Archives* 31 (Spring 1999), pp. 7-21. (U)

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US intelligence was first drawn to Germany's counterfeiting operations as it ascertained Nazi plans to conduct a final battle, or *Gotterdammerung*, in the Alpine regions of Bavaria and Austria. In September 1944, Allen Dulles, chief of the OSS mission in Bern, crossed the newly opened border from Switzerland into France. Meeting with then Brig. Gen. William J. Donovan, Director of Strategic Services, in Lyons, the two intelligence officers flew to London and then to the United States. While in New York, Dulles summarized his views of the future of postwar Europe, in particular relations with the Soviet Union and the American role in defeated Germany.[9] (U)

Dulles warned his superior "upon the German collapse, hundreds of thousands of Nazis and SS will attempt to hide themselves in the German community. There are various conflicting stories as to the extent to which they are already preparing an underground movement," Dulles admitted. "In any event, this is a danger which is sufficiently real to justify the most careful following and we should have in Germany competent secret police and CE [counterespionage] forces to attempt to break this up at its inception." Dulles also discussed the "credible but not confirmed" reports of last-ditch efforts by the Nazis to fortify the mountainous regions of southern Germany and Austria.[10] (U)

Within six months after Dulles gave his appraisal of German postwar resistance measures, Allied concern about a Nazi stronghold in the Alps had mounted

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[9]Neal H. Petersen, ed., *From Hitler's Doorstep: The Wartime Intelligence Reports of Allen Dulles, 1942-1945* (University Park: Pennsylvania State University Press, 1969), pp. 383-388. (U)

[10]Ibid. (U)

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appreciably.[11] Rumors of an *Alpenfestung* or a National Redoubt in the Alps impacted American and British strategy at the end of the war and had long-term political ramifications.[12] The surprise German counteroffensive in the Ardennes in December 1944 foreshadowed the fury that the enemy could unleash. In mid-January 1945, Dulles told Washington that the "idea of a defense in a mountain fortress is in line with the Wagnerian complex of the whole National Socialist movement and the fanaticism of the Nazi youth. Hitler and his small band of brigands," the OSS station chief noted, "who started in the beer-hall in Munich, may find their end not far away in the Bavarian Alps, after having laid most of Europe in ruins."[13] (U)

Even as German forces melted away as Allies armies raced across the shell of the Thousand Year Reich during the spring of 1945, Gen. Dwight D. Eisenhower noted that "if the German was permitted to establish the Redoubt, he might possibly force us to engage in a long, drawn-on guerrilla type of warfare, or a costly siege. Thus," the Allied Supreme Commander wrote, "he could keep alive his desperate hope that through disagreement among the Allies, he might yet be able to secure terms more favorable than those of unconditional surrender."[14] (U)

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[11]For a history of the end of the war in Europe, see Charles B. MacDonald, *The Last Offensive* (Washington, DC: US Army Center of Military History, 1993, rep. 1973 ed.). (U)

[12]For a review of the Allied knowledge about German measures to continue the war, see Rodney G. Minott, *The Fortress That Never Was: The Myth of Hitler's Bavarian Stronghold* (New York: Holt, Rinehart and Winston, 1964). (U)

[13]Petersen, p. 430. Gen. Donovan's views in February 1945 as to the existence of a National Redoubt are found in Petersen, pp. 447-448. (U)

[14]Joseph E. Persico, *Piercing the Reich: The Penetration of Nazi Germany by American Secret Agents during World War II* (New York: Viking Press, 1979), p. 11. (U)

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While the evacuation of high-ranking German officials and their offices from Berlin to southern Germany seemed to presage the enemy's plans to continue the struggle, Allen Dulles grew increasingly dubious of German plans to defend the Alpine regions.[15] The potential threat of the National Redoubt, however, weighed heavily on Allied leaders. In one of his most controversial actions of the war, Gen. Eisenhower decided not to assault Berlin, the Nazi capital, but instead ordered American and British forces to clear the northern and southern flanks.[16] The role that Allied intelligence played in changing the course of the war in these last months still intrigues military and intelligence historians.[17] (U)

***Sonderkommando* Schwendt (U)**

As the Allied noose tightened around the Third Reich, OSS gleaned pieces of information about an intricate plot by the Germans to undermine the American and British currencies. In March 1945, OSS in Bern learned that the former chauffeur of the Hungarian ambassador to Switzerland had met a "Herr Schwendt" as he passed through Merano in northern Italy. According to the driver named Bela Tar, the mysterious man (whom Tar called Fritz Wendig) proposed, that on his return to Switzerland, the

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[15]An example of OSS's increasing reluctance to accept the idea of a last-ditch German struggle in the Alps can be found in OSS/X-2, German Section, "Memorandum of Nazi Resistance Plans," 10 March 1945, XX-5674, (S), in Walter F. Schellenberg, [redacted], DO Records. (S)

[16]Cornelius Ryan, *The Last Battle* (New York: Simon and Schuster, 1966). (U)

[17]Timothy Naftali, "Creating the Myth of the Alpenfestung: Allied Intelligence and the Collapse of the Nazi Police-State," *Contemporary Austrian Studies* 5 (1997), pp. 203-246. (U)

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Hungarian get a job in the American or British legations and provide information to the Germans. At the same time, Tar would be furnished with dollars and pounds to sell on the Swiss black market.[18] (S)

After crossing the Swiss border, Tar instead surrendered to the authorities and provided OSS with his information. He reported that "Herr Schwendt" lived at Schloss Labers, on the outskirts of Meran, which had "a radio station, extensive telephone installations and source happened to see by chance where cases full of brand new Italian Lire where [sic] being unpacked." Tar also gave the Americans a sketch of the Schloss, which, in turn, OSS reported to Paris, Caserta, and Washington as a "bombing target."[19] (S)

The following month, a German deserter told OSS in Switzerland that Heinrich Himmler, head of the SS, had formed "*Sonderkommando* Schwendt" as an independent unit "to purchase abroad a variety of objects including gold, diamonds, securities, as well as certain raw materials and finished products such as silk stockings, expensive perfumery, etc." The source pinpointed offices in Trieste, Meran, and Milan with the goods stored in a military barracks in Merano and in nearby caves.[20] (S)

In May 1945, two weeks after VE-Day, OSS in Switzerland intercepted a letter from what appeared to be a German civilian, who had been involved in obtaining the

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[18]"Italy – Bombing Target (Sketch Attached)," 16 March 1945, B-2037, [no classification stated], in Fritz Schwend, [redacted] DO Records. (S)

[19]Ibid. Further information about Bela Tar, including his affairs in Switzerland, is found in a summary report in Hans Max Clemons, [redacted] DO Records. (S)

[20]"Sonder-Kommando Schwendt," 12 April 1945, B-2460, [no classification stated], in Schwend, [redacted] DO Records. (S)

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right paper stock for the printing of British currency. In the letter, the individual (who was not known to OSS) provided an account of the beginnings of the operation, the names of the firms involved, and the names of several SS officers who supervised the production. The writer had visited the production facility and had met the Jewish inmates.[21] (U)

The McNally Investigation (U)

As the Americans moved into northern Italy and Austria, Operation BERNHARD quickly unraveled.[22] Immediately after the war, the United States undertook two separate investigations of Operation BERNHARD. The first investigation, led by an

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[21]Germany: Economic. "Manufacture of English Pounds Notes," Date of Report: 20 June 1945, Information: 26 May 1945, Date of Distribution: 10 July 1945, Report No. B-2832, in Col. William G. Brey, Chief, Foreign Exchange Depository, Finance Division, Office of Military Government (US), to Director, Finance Division, OMGUS, 3 October 1946, enclosing untitled, undated report by Maj. George J. McNally, Chief Counterfeit Detection Section, with attachments, in Record Group 260, Records of US Occupation Headquarters, World War II, Records of the Office of Military Government (US), Office of Finance Division and Finance Adviser, Central Files of Foreign Exchange Depository Group 1945-50, Box 451, File 950.31, Currency – Counterfeit Investigations, NARA (hereafter cited as McNally Report, RG 260, OMGUS Records, NARA). (U)

[22]A number of books have been written on the German counterfeiting operation. For example, see Adolf Burger, *Unternehmen BERNHARD: Die Geldfalscherwerkstatt im KZ Sachsenhausen* (Berlin: Edition Heinrich, 1992). Burger was one of the Jewish inmates forced to work for the Germans. See also Anthony Pirie, *Operation BERNHARD* (New York: William Morrow and Company, 1962). While Pirie provides an overall description of Germany's efforts to undermine British and American currency, the book is misleading in some areas. For example, Wilhelm Hoettl's role in the affair is obscured, and he is referred to as "Dr. Willi Holten." Ladislas Farago's *Aftermath: Martin Bormann and the Fourth Reich* (New York: Simon and Schuster, 1974) should also be read with some caution. Other sources include Magnus Linklater, Isabel Hilton, and Neal Ascherson, *The Nazi Legacy: Klaus Barbie and the International Fascist Connection* (New York: Holt, Rinehart and Winston, 1985) and Richard Wires, *The Cicero Spy Affair: German Access to British Secrets in World War II* (Westport: Praeger, 1999), pp. 85-96. (U)

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Army captain and a former Secret Service officer, sought to discover how the Germans had compromised the security of the American monetary system. At the same time, OSS undertook a separate investigation to locate members of Operation BERNHARD who, in turn, could pinpoint the hidden wealth before it could finance underground Nazi resistance efforts. (U)

In early May, Capt. George J. McNally, Jr., a Signal Corps officer assigned to the Currency Section of the G-5 Division's Financial Branch at Supreme Headquarters Allied Expeditionary Force (SHAEF) in newly captured Frankfurt, received word that American troops in Bavaria had located a factory stocked with boxes of counterfeit British pounds. At the same time, he learned that American soldiers and Austrian civilians were busily fishing millions of pounds found floating in the Enns River. Meanwhile, a German army captain had surrendered a truck with 23 boxes of English money, valued at 21 million pounds sterling, in Austria. A Secret Service agent before the war, McNally specialized in detecting counterfeit money, and he soon found his peacetime skills in demand in occupied Europe. For the next eight months, McNally would trace the entangled webs of Operation BERNHARD that extended into Austria, Czechoslovakia, Germany, and Luxembourg.[23] (U)

Until McNally took charge in late May, the British and Americans had not coordinated their investigation into German currency operations. Reports came from

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[23]George J. McNally with Frederic Sondern, "The Nazi Counterfeit Plot," in *Secrets and Spies: Behind-the-Scenes Stories of World War II* (Pleasantville: The Reader's Digest Association, 1964), pp. 507-514. Originally published as "The Great Nazi Counterfeit Plot," in the July 1952 issue of *Reader's Digest*. (U)

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scattered army units throughout Germany and Austria, many linked to rumors of sightings of German Werewolves, the Nazi underground resistance movement. From intelligence sources in the Middle East, the British already knew that the Germans had been busily undermining their currency. At a meeting in early June 1945 with British officials in Frankfurt, McNally met P.J. Reeves, the manager of the St. Luke's Printing Works in London (the British equivalent of the US Bureau of Printing and Engraving). Reeves was visibly perturbed when he saw the amount of British currency that McNally had recovered in Austria. "He began going from box to box, riffling the notes through his fingers. Finally he stopped and stared silently into space. Then for several seconds," McNally later recalled, "he cursed, slowly and methodically in a cultured English voice, but with vehemence. 'Sorry,' he said at last. 'But the people who made this stuff have cost us so much.'"[24] (U)

Capt. McNally, joined by Chief Inspector William Rudkin, Inspector Reginald Minter, and Detective Sgt. Frederick Chadbourn from Scotland Yard and Capt. S.G. Michel, a French army liaison officer attached to the Americans, soon concentrated their efforts on interviewing Germans involved with Operation BERNHARD and concentration camp inmates who produced the false money. Drawing on support from the Army's Counter Intelligence Corps (CIC), OSS, and the US Navy, McNally compiled

[24]Indeed, the Bank of England had to recall all its notes and exchange them for new five pound notes. McNally, "The Nazi Counterfeit Plot," p. 507. (U)

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an extensive report by the fall of 1945. His report summarized the history of Operation BERNHARD and the known disposition of German false currency.[25] (U)

"While the exact date of inception is vague," McNally wrote, "it seems reasonable to suppose in the light of all evidence that the German Reich had a counterfeiting plan as early as 1939."[26] By 1942, McNally reported that Operation BERNHARD was in full swing with two barracks as living and work areas for Jewish prisoners at Sachsenhausen concentration camp near Berlin. Isolated from the main prison area by barbed wire fences, the SS, under *Sturmbannfuhrer* BERNHARD Kruger, oversaw the work of 140 Jewish inmates in such fields as printing, binding, photography, and engraving. The Nazis placed a prisoner as the head of each section under the overall charge of Oskar Stein (also known as Oskar Skala) as office manager and bookkeeper. In addition to sparing their lives, Kruger offered the prisoners better food and other privileges for their hard work. (U)

The Germans faced numerous technical difficulties to counterfeit British and American money. By mid-1943, the SS had contracted with the Hahnemuhle paper factory in Braunschweig in northern Germany to produce the special rag needed for British money. The Germans used ink produced by two companies in Berlin. Wartime

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[25]McNally Report, pp. 1-11, with attachments and addendum, RG 260, OMGUS Records, NARA. The report indicates that McNally had provided photographs, but none are located with the report at the National Archives. (U)

[26]McNally Report, p. 1, RG 260, OMGUS Records, NARA. Operation BERNHARD, known originally as Operation Andreas, actually got its start in 1939 when two SS officers, Alfred Naujocks and BERNHARD Kruger of the *Reichsicherheitshauptamt*, RSHA or the German Security Main Office, undertook to produce false British currency in addition to other false documents. For further background on Naujocks, see Gunter Peis, *The Man Who Started the War* (London: Odhams Press, 1960). (U)

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shortages, coupled with imperfections, limited the production of British currency. Oskar Stein estimated that only 10 percent of the fake money could be considered usable; yet the Germans reportedly produced some 134 million pounds in less than two years. Efforts to reproduce American currency proved less successful despite the work of Solly Smolianoff, a well-known forger whom Krieger added to his collection of skilled workers at Sachsenhausen.[27] (U)

In addition to American and British currency, the SS reproduced a wide array of civilian and military identity cards, passports, marriage and birth certificates, stamps, and other official documents from throughout the world. According to McNally, *Reichsfuhrer* Heinrich Himmler planned to use these forged documents and money for Nazi agents as well as to create havoc among the Allies. For example, Himmler wanted to drop the "expendable," or *Abwurf*, British pounds on the United Kingdom by airplane. These notes "were good enough to fool anyone but an expert. Therefore," McNally wrote, "if a large quantity was dumped and the English government declared them counterfeit, many would say the government was merely trying to avoid redeeming them and would hold them."[28] (U)

The rapid advance of the Soviet army into Germany in early 1945 necessitated the evacuation of the Jewish inmates from Sachsenhausen to Mauthausen, a concentration camp in Austria. In mid-April, the Germans again moved the prisoners and machinery to

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[27]For further details on Smolianoff, described as the "only criminal" involved in Operation BERNHARD, see Murray Teigh Bloom, *The Brotherhood of Money: The Secret World of Bank Note Printers* (Port Clinton: BNR Press, 1983) and Murray Teigh Bloom, *Money of Their Own: The Great Counterfeiters* (New York: Scribner, 1957). (U)

[28]McNally Report, p. 6, RG 260, OMGUS Records, NARA. (U)

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an unused brewery at Redl-Zipf where they hoped to start up production in an underground factory in the mountains. The Nazis had little time to resume production as the war came to a sudden end in Austria. By the last week of April, the Germans ordered the inmates to destroy as much of the machinery, money, and records as possible. The inmates, in turn, moved to Ebensee concentration camp where the US Army liberated the camp on 6 May, shortly before the SS planned to kill them. By the time that Capt. McNally launched his investigation, Operation BERNHARD's concentration camp workers had scattered throughout Europe. (U)

As the fronts collapsed, the SS scrambled to get its money out of Berlin to safety in the south. According to McNally's research, one truck left Redl-Zipf and made it as far as Pruggern, where it broke down. The money was dumped in the Enns River where the bills scattered for miles. Another truck left the same location and arrived in Bad Aussee, and the SS then put the money on a cart for the trip to Toplitzsee, where they dropped the cases into the lake. A convoy of trucks from Berlin brought more money to Taxenbach, where the Germans burned the trucks and their contents. Another truck ended up near Innsbruck, where the Counter Intelligence Corps found it and over two million British pounds. A German army officer surrendered yet another truck with 23 boxes full of bills of small British dominations totaling some 21 million pounds. McNally also tracked down other unconfirmed reports of sightings of the German money. (U)

Throughout the summer and fall of 1945, McNally and his British and French counterparts crisscrossed Europe to interview witnesses and interrogate German

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participants, including *Obersturmbannfuhrer* Josef Spacil, BERNHARD Kruger's commanding officer.[29] Capt. McNally also tried to raise the crates of money that the Germans had dumped in the Toplitzee and Traunsee. A special US Navy team of divers flew from Le Havre, France, to Frankfurt and then drove to Austria. Despite the depths of the Toplitzsee, the Navy divers entered the shallower sections of the lake, but found nothing. The special team encountered a similar lack of luck in searching the area near Gmunden.[30] (U)

By early 1946, McNally had wrapped up his investigation and completed his report. "Thus," McNally commented, "in disorganization, flight and destruction, ended

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[29]Transcripts of interviews with former concentration camp inmates, including Adolf Burger and Oskar Stein in Czechoslovakia, are found in McNally Report, RG 260, OMGUS Records, NARA. The apprehension of Spacil by OSS is recounted in Capt. F.C. Grant, SCI Detachment, Seventh US Army, to Commanding Officer, SCI Detachment, Twelfth Army Group, "Weekly Report," 16 June 1945, LSX-002-616, in WASH-REG-INT-163, RG 226, OSS Records, Box 276, [no folder listed], NARA. Grant placed Spacil in the Seventh Army Interrogation Center for further questioning about Operation BERNHARD. Later that year, McNally took Spacil from the Military Intelligence Service Center's interrogation camp at Oberursel, near Frankfurt, to Austria to get a firsthand description of what transpired at the end of the war. McNally's interrogation of Spacil and Chief Inspector Rudkin's report on Spacil are both located in McNally Report, RG 260, OMGUS Records, NARA. The Americans continued to seek information from captured Germans about Operation BERNHARD even after the completion of McNally's investigation. For example, see "SAINT, London to SAINT, Washington, "U/Stuf Rudolf Guenther," 7 February 1946, XX-10723, enclosing Headquarters, US Forces European Theater (USFET), Military Intelligence Service Center (MISC), Counter Intelligence Preliminary Intelligence Report (CI-PIR) No. 96, "U/Stuf Guenther, Rudolf" 17 January 1946, in WASH-REG-INT-175, RG 226, OSS Records, Entry 109, Box 58, Folder 2, NARA. Guenther was Spacil's private accountant after July 1944 and knew about Germany's counterfeiting activities. CIC arrested him in Wurzburg, Germany, in June 1945 and sent him to Oberursel in late December. (U)

[30]Capt. McNally to Capt. W.A. New, US Naval Forces, Germany, "Recovery of Enemy Materials and Equipment from Inland Waters in Germany and Austria," 26 September 1945; Capt. New to Capt. McNally, "Enemy Materials and Equipment from Inland Waters in Germany and Austria, Recovery of," 11 September 1945; and J.H. McDonald, US Naval Ship Salvage Group, to Cdr. R.P. McDonald, 4 July 1945, in RG 260, OMGUS Records, Office of Finance Division and Finance Adviser, Central Files of Foreign Exchange Depository Group 1945-50, Box 451, File 950.31, Currency – Counterfeit 1945, NARA. (U)

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the most elaborate and far reaching scheme that an invading army ever devised for the wholesale counterfeiting of the money and credentials of other countries." The American military returned the counterfeit British currency to the Bank of England and closed the file on Operation BERNHARD. Nazi Germany's clandestine activity became a curious footnote in the annals of the war. Yet, the expertise gained by Operation BERNHARD's participants would soon be a valuable tool at the dawn of the Cold War. (U)

RSHA Financial Operation (U)

At the same time as Capt. McNally learned of the Nazi fortunes in Bavaria and Austria, OSS was already on the trail of members of Operation BERNHARD. In mid-May, Lt. Alex Moore, an X-2 officer assigned to the Sixth Army Group's Special Counter Intelligence (SCI) detachment, took Karl Hermann Friedmann, a captured SS officer and member of Operation BERNHARD, to Rosenheim near Munich to pick up George Spitz, a 52-year old Austrian Jew.[31] Friedmann fingered Spitz, a prewar art

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[31]Born in Chicago in 1917, Alex Moore attended school in France and the United States and received his degree from Stanford University in 1937. He served in France and England with the American Red Cross during the early part of the war. Moore enlisted in the US Army in the United Kingdom in the fall of 1942. After completing OCS in 1943, he served with a military intelligence interrogation team in France and Germany until he transferred to OSS in January 1945. Assigned as X-2's Administrative Officer in Paris, Moore joined the SCI Detachment of the Sixth Army Group in mid-May 1945. Moore was reassigned to the United States in the summer of 1945 and subsequently released from military service. Moore later worked for the UNRRA in Czechoslovakia during 1946-1947 and then joined the Economic Cooperation Administration and later the Mutual Security Administration in Paris, where he came to the attention of CIA. Moore remained with the US Agency for International Development and served throughout the world until his retirement in 1969. He continues to live in Paris where he worked for a French consulting firm. See Alex Moore, [redacted], DO Records. Material

dealer who had lived in the United States as a youth, as a key operator in the distribution of the counterfeit funds. Spitz, in turn, admitted to Moore that he had worked for the Germans, but only under duress, and he soon provided extensive leads into the Nazi efforts to undermine the Western Allies monetary system.[32] (S)

Spitz recounted to Moore how he had escaped from the Nazis and then actually worked for them. Spitz had approached a half-Jew, Hans Oskar Markuse, in Munich and sought his help to obtain false documents in order to avoid arrest by the Nazis. For a price of 5000 Reichmarks, Spitz received a false passport from an SS *Obersturmfuhrer* Josef Dauser, who worked in the SD office in Munich, and his secretary, Frau Bertha von Ehrenstein. In 1943, Spitz claimed to have met a man named Wendig in Munich who, in turn, asked him to travel to Belgium to purchase gold, jewelry, and pictures. Spitz made six trips and exchanged some 600,000 marks worth of English pounds on these trips. Lt. Moore, the first OSS officer to work on this case, interrogated both Dauser and his secretary to confirm the accuracy of Spitz's account.[33] (S)

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from Moore's military service with OSS is found in Moore, [redacted], in WASH-HQ&HQ DET-PERS-13, in DO Records, [redacted], Box 23, CIA ARC. Additional material is also located in WASH-PPB-PERS-13, in DO Records, [redacted], Box 40, CIA ARC. Moore also privately published a memoir of his wartime service entitled *From Normandy to Aachen* in 1979. A copy of his memoirs and correspondence are found in the CIA History Staff files. (S)

[32]SCI Sixth Army Group, "Interrogation of Subject, George Spitz," 16 May 1945, (S); and SCI Sixth Army Group, "Sale of Foreign Currency by the RSHA," 17 May 1945, (S); and SCI, Sixth Army Group, "Agents Used by Lieutenant Moore, SCI 6 AG," 17 May 1945, (S), in George Spitz, [redacted], DO Records. (S)

[33]"Interrogation of Bertha von Ehrenstein," 25 May 1945; "Additional Statement of Mrs. Von Ehrenstein," [undated]; and "Memorandum on Schwend alias Wendig," 30 May 1945, [no classification listed], in Spitz, [redacted], DO Records. (S)

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By the end of the month, Moore had pinpointed Friedrich Schwend as Operation BERNHARD's mysterious paymaster and identified his various cover names, including Dr. Wendig and Fritz Klemp. Born in 1906 and a member of the Nazi party since 1932, Schwend (spelled also on occasion as Schwendt) lived a charmed life. A businessman who had settled in Abbazia, Italy, Schwend had married a wealthy German woman in 1929 whose aunt resided in Argentina. Drawing on his family ties, Schwend managed the aunt's business in Latin America, and he established numerous contacts throughout Europe and the Americas. In the 1930s, Schwend also established himself as an arms dealer and provided aircraft and other weapons to China. (U)

At the outbreak of the war, Schwend's activities drew the attention of the Gestapo, and the Italian was arrested as an Allied agent and was returned to Germany. Schwend's time in prison was short as he was soon released to become the leading salesman of Operation BERNHARD. From his headquarters at Schloss Labers, just outside of Meran in northern Italy, Schwend distributed money throughout Europe using numerous couriers. He was not a member of the SS, although he took the rank and identity of SS *Sturmbannfuhrer* Dr. Wendig, who had died in a partisan attack in Italy in 1944. Schwend's castle in Merano was guarded by a detail of Waffen SS soldiers and identified as *Sonderstab – Generalkommando III Germanisches Panzerkorps*, the Special Staff of the Headquarters of the Third German Armored Corps. (U)

Schwend retained one-third of the profits derived from the sale of the counterfeit money. Despite mass destruction, money was still to be made in war-torn Europe. Schwend and his underlings used the fake currency to purchase luxury items on the black

market as well as to buy weapons from Yugoslav partisans anxious to make a buck from arms provided by the British and Americans. The Germans, in turn, then sold the Allied equipment to pro-Nazi groups in the Balkans. Money distributed by Schwend also went to pay German agents throughout Europe; Elyesa Bazna, the famous German agent in Turkey known as CICERO, was paid in false British currency produced by Operation BERNHARD. (U)

It was, however, not a job without risks. The German secret police, the Gestapo, was on the lookout for counterfeiters and black marketers and sometimes apprehended Schwend's men by accident. Rivalries among senior German SS officers, including *Reichsfuhrer* Heinrich Himmler, Reinhard Heydrich (first head of the RSHA), Heinz Jost (first head of RSHA *Amt VI* or foreign intelligence), Ernst Kaltenbrunner (Heydrich's successor as RSHA chief), Heinrich Mueller (head of *Amt IV*, the Gestapo), Otto Ohlendorf (head of RSHA *Amt III*), and Walter Schellenberg (Jost's successor in *Amt VI*), all hindered Operation BERNHARD to one degree or another. Mainstream German entities, such as the Foreign Ministry and Reichsbank, vehemently opposed any tinkering with the monetary systems, even those of the enemy. As it turned out, German use of counterfeit pounds destabilized the already fragile economies of several countries, Italy in particular. (U)

With the aid of Spitz, Dauser, and von Ehrenstein, Moore identified most of Schwend's collaborators, and he planned to apprehend the remaining members of

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Operation BERNHARD.[34] On 18 May, Lt. Moore took Spitz to Prien where they located a large collection of trunks and crates belonging to Schwend. Schwend, however, was nowhere to be found.[35] Spitz also helped Lt. Moore collar Heinrich Hoffmann, Hitler's personal photographer, and Loomis Taylor, the American "Lord Hee Haw." (S)

On 10 June, OSS reported that it had arrested Schwend and started its interrogation for further details about what it now referred to as the "RSHA Financial Operation."[36] The Americans initially held Schwend at the Seventh Army Interrogation Center in Ludwigsburg with hundreds of other German military officers and security suspects. The Center's Weekly Status Report for the period 16-23 June 1945 listed Schwend as being detained by the 307th CIC Detachment as a counterintelligence interest. Listed as a "mechanical engineer," the Army noted that Schwend "bought machinery and tools for factories." Whether the Army listed Schwend in this category out of ignorance or for other reasons is not known. Shortly afterward, OSS officers removed Schwend

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[34]Lt. Charles Michaelis to Commanding Officer, X-2/Germany, "Preliminary Statement of Agi Zelenay in Connection with RSHA Operations," 4 June 1945; Michaelis to Commanding Officer, X-2/Germany, "Continuation of the Statement by Agi Zelenay," 26 June 1945; and Michaelis to Commanding Officer, X-2/Germany, "RSHA Financial Operations," 5 June 1945, [no classifications listed], in Spitz, [redacted], DO Records. (S)

[35]Moore to Commanding Officer, SCI, Sixth Army Group, "Financial Operations of RSHA Amt VI," 22 May 1945, [no classification listed], in Spitz, [redacted], DO Records. (S)

[36]Early OSS reporting on Schwend is summarized on several note cards in his 201 file. Many of these documents, however, are not located in his personality file, which the CIA did not open until 1957. A good number of documents pertaining to the RSHA Financial Operation, Spitz, Schwend, and other members of Operation BERNHARD are located in the declassified OSS records at the National Archives. A copy of a report written by Schwend for OSS has not been located in either the classified or declassified files. Spitz's classified 201 file, on the other hand, is more complete and contains many early OSS reports on the RSHA Financial Operations. (S)

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from the Interrogation Center and placed him in Munich's Stadelheim prison where he remained for three weeks before he relented to speak to his captors.[37] (U)

In an effort to get Schwend to talk, OSS brought George Spitz to Stadelheim prison to meet with Schwend. Spitz, now a recruited American asset, had impressed Capt. Charles C. Michaelis, who had replaced Lt. Moore as his OSS case officer, as "reliable, trustworthy and intelligent. He is willing to cooperate and has already given useful information."[38] Michaelis, it will be recalled, had served as Nebel's case officer in France during the war, and he was now assigned to Munich. Still uncertain of the connections between Schwend and his agents, OSS stated that it "believed that Spitz is primarily responsible for the success of this mission." According to Michaelis, Spitz

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[37]Weekly Status Reports for the Seventh Army Interrogation Center commanded by Maj. Paul Kubala are found in Record Group 338, Records of United States Army Commands, 1942-, Records of the European Theater of Operations/US Forces European Theater, Records of the Seventh Army Interrogation Center, Box 74, Folder 2, NARA. The Seventh Army Interrogation Center, or SAIC, prepared Weekly Status Reports (WSR) and Daily Status Reports (DSR) providing a breakdown of the number of internees held at the Center and for what reasons. The WSR also provides a listing by name of all internees while the DSR carries only numbers of internees on hand. The DSR did, however, carry the names of those individuals admitted to or released from the center. In Schwend's case, he was listed on Weekly Status Report Number 1 for the period 16-23 June 1945, but his name is not found in WSR No. 2. Interestingly, his departure from SAIC is not found on the Daily Status Reports for that period. The Seventh Army Interrogation Center prepared hundreds of interrogation reports of different types from April until the Center's disbandment in October 1945. Schwend's name does not appear in the index of any of these reports. See Seventh Army Interrogation Center, Index of SAIC Reports (6 April 1945-2 October 1945) in Box 73. (U)

[38]Capt. Michaelis to Commanding Officer, X-2/Germany, "George Spitz," 25 June 1945, X-645, (S), in Spitz, [redacted], DO Records. For information about Spitz's use by OSS and that of other Operation BERNHARD personnel, see Capt. Michaelis to Commanding Officer, X-2/Germany, "Situation Report on Prospective Penetration Agents," 29 June 1945, LMX-002-629, (S), in DO Records, [redacted], Box 3, Folder 21, CIA ARC (a copy is also filed in Spitz, [redacted], DO Records). OSS headquarters in Germany approved Spitz's use on 12 July 1945. (S)

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"persuaded Schwend that his best chance would be to confess his activities with the RSHA and to cooperate with us."[39] (S)

As an act of good faith, Schwend agreed to turn over to OSS all of his "hidden valuables." Capt. Eric W. Timm, X-2's chief in Munich, and Capt. Michaelis accompanied Spitz and Schwend to a remote location in Austria in July 1945 where Schwend uncovered 7139 pieces of French and Italian gold, which he had buried only days before the end of the war. Michaelis reported that Schwend estimated that the gold, which weighed over 100 pounds, had a value of $200,000. The "money constituted a possible threat to Allied security as it could have been used to finance anti-Allied activities," Capt. Michaelis stated.[40] (U)

With one successful mission under his belt, OSS began to use Schwend as a "bird dog" for other hidden assets. In late July, Timm and Michaelis took Schwend and Spitz to Meran in Italy to visit Schwend's former headquarters. The Army's Counter Intelligence Corps had already rounded up several of Schwend's personnel, who had remained in Meran, including several purchasing agents and George Gyssling, a former German consul in Los Angeles and a friend and an associate of Schwend's. Capt. Harry

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[39]Capt. Michaelis, SCI Detachment Munich to Commanding Officer, X-2/Germany, "RSHA Financial Operations," 20 July 1945, LWX-50, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 287, [no folder listed], NARA. See also Capt. Timm to Chief, X-2/Germany, "RSHA Financial Operation," 20 July 1945, with copies of receipts, and Capt. Timm, Capt. Michaelis, 1st Lt. Stewart French, and Mrs. Jane Burrell, Memorandum for the File, "RSHA Financial Transactions," 19 July 1945, (S), in Spitz, [redacted], DO Records. (S)

[40]Ibid. (S)

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Riback, the CIC commander in Merano "had no information on the exact missions of these men nor did they have a clear picture of the over-all RSHA operation."[41] (U)

After interrogating one of Schwend's staff still in Meran, OSS recovered nearly $200,000 worth of gold, American currency, and diamond rings. Timm and Michaelis turned the treasures over to Capt. Riback who was "most appreciative of the information given to him by SCI."[42] Both Spitz and Schwend had clearly established themselves with OSS and, according to Capt. Michaelis, Schwend added to his laurels by writing a history of Operation BERNHARD.[43] (U)

FLUSH and TARBABY (U)

After the summer of 1945, OSS changed the scope of its RSHA Financial Operation. While it still collected information on Nazi Germany's clandestine efforts to counterfeit money, OSS began to use both Schwend and Spitz as agents for information beyond the scope of their wartime activities. In the meantime, OSS collected additional information about Schwend, who had a somewhat shady reputation even within the SS. Because of his role as a senior SS intelligence officer in Italy and the Balkans, Wilhelm Hoettl had been in contact with Fritz Schwend. During an interrogation by American

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[41] Lt. Edward R. Weismiller, Chief, Operations, X-2/Germany to SAINT, Washington, "RSHA Financial Operations," 2 August 1945, LWX-61, enclosing Michaelis to Commanding Officer, X-2/Germany, "RSHA Financial Operation," 28 July 1945, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 287, [no folder listed], NARA. (U)

[42] Ibid. A copy of the receipt dated 26 July 1945 is found in Spitz, [redacted] DO Records. (S)

[43] As explained above, Schwend's report has not been found. (S)

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officers, Hoettl admitted "Schwend is a highly gifted businessman with a good bit of adventurism in him who particularly enjoys to drive around in the middle of rebellious areas and to deal with the most roughest partisan leaders. In doing so," Hoettl recalled, "he was less concerned with the profit than with the adventure of the affair."[44] (S)

Walter Schellenberg's surrender in 1945, and his transfer to Great Britain for interrogation, offered the Allies a window into German operations from the highest vantage point. OSS in London relayed to Washington what it learned from the former head of RSHA *Amt VI* throughout the summer of 1945.[45] Schellenberg readily told his captors about the intrigues that riveted the intelligence and security organs and the Third Reich. He elaborated in great detail about German activities throughout the world and was especially helpful in filling in the gaps about Operation BERNHARD. (S)

Schellenberg grew incensed at the wide berth that Schwend enjoyed in disposing of the false British currency. He decried the entire affair and blamed Schwend's success on RSHA chief Kaltenbrunner and corrupt SS officers, including Wilhelm Hoettl. The chief of *Amt VI* claimed that he did not even know Schwend's real name and only recognized him by his pseudonym of Wendig. In Schellenberg's opinion, Schwend was "one of the greatest crooks and imposters." By marketing his false money in territories

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[44]Undated, unsigned German-language report and rough English translation pertaining to Schwend. "Engineer Frederico Schwend" appears to be an excerpt of a longer interrogation of Wilhelm Hoettl. The report, classified Secret in the English version, is located in Schwend, [redacted], DO Records. (S)

[45]SAINT, London to SAINT, Washington, "Schellenberg Interrogation," 11 July 1945, (S), in Schellenberg, [redacted], DO Records. (S)

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controlled by the Germans, Schellenberg told his captors, the Reichsbank itself ended up buying the counterfeit currency.[46] (S)

Despite reservations about Schwend's reliability, he became one of X-2's new stable of agents in the fall of 1945. Schwend, in turn, recruited other Operation BERNHARD associates, including George Srb, a Czech, and Guenther Wischmann, his "salesman" in Slovenia, as subsources.[47] Capt. Michaelis had obtained Wischmann's release from prison after his arrest by the US Army in June 1945 when the British claimed that he had worked for them.[48] (S)

Following the departure of both Michaelis and Timm in the fall, Holtsman used Schwend to obtain a variety of reports on personalities who "might be used by the American intelligence in some way."[49] Additionally, Schwend gave the Americans details on the organization and structure of the Czech intelligence service and the use of

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[46]SAINT, London to SAINT, Washington, "Interrogation Report on Schellenberg, 27 June-12 July 1945," 2 November 1945, XX-9667, (S), enclosing a copy of the British interrogation report. Schellenberg, [redacted] DO Records. (S)

[47]For a description of Wischmann, see Lt. Michaelis to Commanding Officer, X-2/Germany," "Preliminary Statement of Agi Zelenay in Connection with RSHA Operations," 4 June 1945; Michaelis to Commanding Officer, X-2/Germany, "Continuation of the Statement by Agi Zelenay," 26 June 1945, in Spitz, [redacted], DO Records. (S)

[48]Security Control (the successor to X-2 in the new Office of Special Operations or OSO) in Munich eventually dropped Srb, known as CAMEL, as a source because of his black market activities and denunciations as a German collaborator by the Czech Government. Wischmann, also a subsource of Schwend's, traveled throughout Germany and Austria, but Holtsman did not use him as a "full-time agent" because of suspicions about his dealings on the black market. For further details on Wischmann, see various reports in Guenther Wischmann, [redacted] DO Records. (S)

[49]Quote found in AB-43 [Holtsman], "Dr. Robert Scherkamp, Munich, Fuchsstr. 5," 30 August 1946, MSC-332, LWX-002-916a, (S), in Schwend, [redacted], DO Records. Examples of other personality reporting are found in Schwend's personality file. (S)

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Jewish refugees by the Soviets.[50] Holtsman grew impressed with Schwend's work in Munich and commented, "his knowledge of personalities and underground groups in Italy, Yugoslavia, and in Germany is very wide."[51] Perhaps reflective of his ability to get information, X-2 provided Schwend with the codename of FLUSH. (S)

George Spitz, in the meantime, provided information to both Schwend and Holtsman as a X-2 source known as TARBABY. Capt. Timm had first used Spitz in a variety of ways, although he was not generally tasked as a regular agent. In late October, X-2's chief observed, "TARBABY will prepare and submit regular semi-monthly reports on financial and economic matters, as well as other items of interest which he can obtain." Timm felt that Spitz had "an encyclopedic knowledge of all figures of any importance in industry and economics throughout Europe."[52] In this capacity, Spitz gleaned tidbits on the German Red Cross and the Bavarian Separatist Movement in

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[50]Reporting on the Czech services is found in SCI/Munich Report No. 135, "OBZ (Obvodove Bezpecnosti Zpravodajstvi)," 7 June 1946, MGH-H-28, (S); SCI/Munich Report No. 159, "OBZ Headquarters, Washington Street, Prague," 18 June 1946, (S); AB-43 [Holtsman], Munich, "OBZ headquarters at Prague," 1 July 1946, Report No. 208, (S); and AB-43 [Holtsman], Munich, "Election Note from Czechoslovakia," 1 July 1944, Report No. 209, (S), in Schwend, File 201-0206556, DO Records. Information stating that Jewish refugees from Poland were "active for the Russians" came from Schwend as reported by a Dr. Ohrenstein, a Jewish rabbi and leader of refugees in Munich. See SCI/Munich, "Use of Eastern Jewish Refugees for Soviet Intelligence Work," 26 April 1946, Report No. 53, LWX-TS-124, (S), in Schwend, [redacted], DO Records. (S)

[51]SAINT, AMZON to SAINT, "Review of Activity since 10 December 45 to 10 September 46," 17 September 46, L-010-910, enclosing AB-43 [Holtsman], Munich to AB-51 [Hecksher], AMZON, "Review of Activity since 10 December 1945 to 10 September 1946," 10 September 1946, (S), in DO Records, [redacted], Box 1, Folder 14, CIA ARC. (S)

[52]Lt. Sidney H. Lenington, Deputy Chief, X-2/Germany to SAINT, Washington, "Semi-Monthly Reports," 12 December 1945, LMX-005-1130, enclosing Timm to Commanding Officer, SSU/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 31 October 1945, LMX-005-1130, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 275, [no folder listed], NARA. (U)

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southern Germany.[53] He also assisted OSS to remove a Nazi party member from an estate in Bavaria, thereby allowing Spitz's sister-in-law to occupy the residence.[54] (S)

Spitz was also in contact with the INCA project. In September 1945, X-2 obtained the release of seven Munich businessmen, either directors of subsidiary companies of I.G. Farben or prominent city bankers. Capt. Timm stated "these persons are only of potential value if they are returned to their respective businesses. Contacts," Timm noted, "are constantly being made with the functional heads of Military Government detachments to see if the men have been cleared to operate their businesses." OSS expected the INCA agents to provide information on the financial aspects of illegal Nazi activities within Germany. The INCA project, however, was short-lived and the X-2 dropped it the following month when it realized that the operation's "value is still only potential and it has not proven productive to maintain regular contact."[55] (S)

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[53]Lt. Sidney H. Lenington, Deputy Chief, X-2/Germany to SAINT, Washington, "Semi-Monthly Reports," 12 December 1945, LMX-005-1130, enclosing Timm to Commanding Officer, SSU/X-2 Germany, "Semi-Monthly Operations Report SCI Munich," 15 November 1945, LMX-005-1130, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 275, [no folder listed], NARA. (U)

[54]Timm to Commanding Officer, X-2/Germany, "Semi-Monthly Operations Report SCI Munich," 15 September 1945, G-TSX-3310, (S), in DO Records, [redacted] Box 3, Folder 21, CIA ARC. (S)

[55]Timm to Commanding Officer, X-2/Germany, "Semi-Monthly Operations Report SCI Munich," 15 September 1945, G-TSX-3310, (S); Timm to Commanding Officer, X-2/Germany, "Semi-Monthly Operations Report SCI Munich," 30 September 1945, G-TSX-3747, (S), both in DO Records, [redacted], Box 3, Folder 21, CIA ARC; Lt. Sidney H. Lenington, Deputy Chief, X-2/Germany to SAINT, Washington, "Semi-Monthly Reports," 12 December 1945, LMX-005-1130, enclosing Timm to Commanding Officer, X-2/Germany, "Semi-Monthly Operations Report SCI Munich," 31 October 1945, LMX-005-1130, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 275, [no folder listed], NARA. (S)

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This Case Should Be Handled Very Carefully (U)

Neither Schwend nor Spitz maintained low profiles in the ruins of postwar Munich, and they soon attracted attention. Spitz became a well-known figure in early postwar society circles in Munich. In a 1947 report, [redacted] commented that he found Spitz's parties to be an excellent way to meet senior American officials assigned to the city's Military Government.[56] In turn, [redacted] helped Spitz to obtain a vehicle and supplies.[57] (S)

It did not take long for Spitz's past to catch up with him. In November 1946, Edwin C. Rae, the chief of the Monuments, Fine Arts, and Archives Section of the Military Government in Bavaria contacted his headquarters to request that US authorities in Italy assist in tracking down looted Dutch art in that country. The Dutch representative at Munich's Central Collecting Point for art recovered from the Nazis had tracked down several pieces of art and rugs that Spitz had sold to Schwend during the war. He wanted the Americans to locate the missing paintings and rugs from Schwend's last known location in northern Italy.[58] (U)

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[56]See "SC Munich Present and Discontinued Contacts." For much of this period, [redacted] was SSU's sole representative in Munich, and he needed to maintain good relations with Military Government and CIC officials. (S)

[57] [redacted], Refugee Control Unit, to Whom It May Concern, "Transportation, Supplies," 15 January 1947, and [redacted] Refugee Control Unit, to Verkehrsdirektion, "Provision of Tires," 29 May 1947, in Spitz, [redacted] DO Records. (S)

[58]Edwin C. Rae, Chief, Monuments, Fine Arts, and Archives Section, Restitution Branch, Economics Division, Office of Military Government for Bavaria, to Office of Military Government (US), Economics Division, Restitution Branch, Monuments, Fine Arts, and Archives Section, "Art Objects of Dutch Origin, now in Italy," 18 November 1946, enclosing R.F.P. de

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In October 1947, another Dutch investigator questioned Spitz about his activities in Holland during the war. According to H.J. Stach, Spitz "became furious" and demanded to know why he was being sought after when he was a Jew who had been in the "underground." Spitz then produced a letter from Capt. Timm that the X-2 chief had written in September 1945. He also told Stach to go see [redacted] as further verification of Spitz's good service. Stach, however, distrusted Spitz and commented, "it is of great importance that this case should be handled very carefully. Spitz is one of the greatest swindlers."[59] (U)

In January 1948, Spitz again fell under suspicion for his role in the looting of art in Europe during the war.[60] A year later in 1949, Spitz again drew high-level attention

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Beaufort, Dutch Representative, to Mr. Rosenbaum, "Restitution of Art Objects in Italy to the Netherlands," 18 November 1946, in RG 260, OMGUS Records, Records of Museum, Fine Arts, and Archives Section, Restitution Research Records, Box 484, [no folder listed], NARA (hereafter cited as RG 260, OMGUS Records, MFAA Section, Restitution Records Research, NARA). (U)

[59]H.J. Stach to Stewart Leonard, "Interrogation of George Spitz, Opitzstr. 4, Munich," 28 October 1947, in RG 260, OMGUS Records, MFAA Section, Records Restitution Branch, Box 484, [no folder listed], NARA. (U)

[60]CIA's German Mission told Headquarters in January 1948 that "G. Spitz presently under investigation. Arts and monuments have turned over to ODI highly incriminating reports by Belgian representative Central Collecting Point Munich and a Netherlands investigation officer on Spitz's wartime activities." The Munich Operations Base added, "George Spitz, at present being investigated by Dutch and Belgian authorities due to his war time art-looting activities, is living in Munich and possibly in touch with Schwend. Spitz is engaged in questionable financial deals and in minor black-market operations and is quite friendly with high-ranking officers of OMGB [Office of Military Government for Bavaria]." Cable, Frankfurt to Washington, 27 January 1948, Frankfurt 628, IN 33751, (S); Cable, Heidelberg to Frankfurt, 27 January 1948, Heidelberg 2840, IN 33727, (S); and Chief of Station, Heidelberg, to EUCOM Liaison Office, "Fritz Schwend," 24 February 1948, MGM-A-365, (S), in Schwend, [redacted], DO Records. See also Cable, Berlin to Munich, Information Heidelberg, 13 January 1948, Berlin 804, (S), and Cable, Munich to Berlin, Information Heidelberg, 13 January 1948, Munich 125, (S), in Spitz, [redacted], DO Records. Berlin asked Munich if it should pressure the Military Government in Berlin to stop this investigation. [redacted] in Munich responded that "see no reason stop Spitz investigation . . . . if report refers only wartime activities Spitz in

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because of allegations that he worked with August Lenz, a Munich banker and a former OSS agent with the INCA project, in the Munich black market.[61] In August 1945, Lenz had worked with X-2 to gain the release of the head of the Bavarian Red Cross, a wealthy countess, who had been arrested by CIC after an anonymous denouncement.[62] Lenz also helped to manufacture the false Czech and Polish documents that American intelligence used to evacuate SAILOR, one of its first Soviet defectors.[63] (S)

In the spring of 1947, [redacted] dropped Spitz as an agent because he had become a security risk.[64] A senior CIA officer later concluded in a 1949 cable that "services both Spitz and Lenz minimal and reports praising their services need grain of salt. Both believed [to be] opportunists who made most connections with American officials to further [own] personal positions, which [were] quite precarious [in the] early days occupation since it known that Spitz particularly had served as agent for SD and

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Belgium and Netherlands, let investigation proceed." See also Lt. F.S.E. Baudouin, Belgian Representative, to Herbert S. Leonard, Chief, MFAA Section, "Information Concerning the Spitz Case," 5 August 1948, in RG 260, OMGUS Records, MFAA Section, Restitution Records Research, Box 484, [no folder listed], NARA. (S)

[61]See Cable, Munich to Karlsruhe, Information Berlin, 27 April 1949, Munich 429, (S); Cable, Karlsruhe to Special Operations, 2 May 1949, Karlsruhe 4620, IN 30658, (S); Cable, Berlin to Karlsruhe, Information Munich, 3 May 1949, Berlin 1593, (S); Cable, Berlin to Special Operations, 5 May 1949, Berlin 1600, IN 30910, (S); Cable, Berlin to Special Operations, 5 May 1949, Berlin 1593, IN 30960, (S); all in Spitz, [redacted], DO Records. (S)

[62]Timm to Commanding Officer, X-2/Germany, "Semi-Monthly Operations Report SCI Munich," 30 September 1945, G-TSX-3747, (S), in DO Records, [redacted], Box 3, Folder 21, CIA ARC. (S)

[63]Cable, Berlin to Special Operations, 5 May 1949, Berlin 1600, IN 30960, (S), in Spitz, [redacted], DO Records. (S)

[64]SC, AMZON to FBM, "Progress of Munich Operations," 15 May 1947, HSC/OPS/33, FSRO-1796, (S), in DO Records, [redacted], Box 516, Folder 5, CIA ARC. (S)

possibly Gestapo. His activities," CIA tersely noted, "Holland and Belgium during war never satisfactorily clarified."[65] (S)

As late as 1959, the US Army and the West German Federal Intelligence Service requested further information about Spitz. By that time, the CIA had lost track of the Austrian Jew who played both sides.[66] (S)

He Will Always Remember the Americans (U)

George Spitz's troubles, however, occurred after Fritz Schwend left Europe. The leading German member of Operation BERNHARD, however, continued to attract attention. In February 1947, the Central Intelligence Group in Rome reported that CIC and the Italian police had raided a number of buildings in Merano, including Schwend's old headquarters at Schloss Labers, the previous year. According to this late report, provided by CIC in Rome, the joint raid uncovered "large quantities of counterfeit pound

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[65]Cable, Special Operations to Karlsruhe and Munich, 11 May 1949, Washington 3385, OUT 81161, (S), in Spitz, [redacted], DO Records. (S)

[66]See Chief of Base, Munich to Chief, ULS, "American Interest in Banker Georg Spitz, Mauerkircherstrasse 95/0, Munich," 28 October 1959, EGMA-45439, (S), in Spitz, [redacted], DO Records. Spitz's file, opened in 1956, contains no further documents after 1959. Spitz's case was not the only example of a Jew who supported the Nazis in Operation BERNHARD. See Randolp L. Brahm, "The Nazi Collaborator with a Jewish Heart: The Strange Saga of Jaac Van Harten," *Eastern European Quarterly* (Winter 2001, Vol. XXXV, No. 4), pp. 411-434. Van Harten, a German Jew born Jakob Levy, worked for the *Abwehr*, and later with Schwend. Van Harten later moved to Palestine and was regarded a genuine hero of the Jewish resistance movement until his death in 1974. (S)

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notes." The Americans, however, believed that the Germans had a plant still producing counterfeit dollars and pounds as well as US military occupation script.[67] (S)

Schwend's position in Germany diminished, according to [redacted] because he had defrauded what appears to have been the Gehlen Organization, the nascent West German intelligence service under Army sponsorship.[68] At this point in early 1947, Schwend went "to visit his family in Italy and thence immigrated to Brazil." [redacted] attended Schwend's last party in Munich during which he announced that he would soon take a trip. While the records do not indicate how Schwend escaped from Europe, it is believed that he utilized the underground "rat line" through Italy to South America. He later wrote two letters to [redacted] after his departure in which the German said that he "will always remember the Americans for the kind treatment he received."[69] Using the name of Wenceslau Turi, a Yugoslavian agricultural technician, on a Red Cross passport issued in Rome, Schwend and his second wife, given the name of Hedda Turi, arrived in Lima, Peru, after crossing the Bolivian border in April 1947. The new immigrants declared their intention to take up farming in Ica.[70] (S)

In early 1948, Louis (also referred to as Aloys or Vjekoslav) Glavan denounced Schwend in a letter to Gen. Lucius D. Clay, military governor of Germany, through the

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[67]Intelligence Report, External Survey Detachment, Rome, "Counterfeiting Plant in Milan Area," 11 February 1947, PIR-1095, (S), in DO Records, [redacted] Box 288, (no folder listed), CIA ARC. (S)

[68] [redacted] discusses his work with Schwend and his departure from Europe in his 3 November 1993 interview. At one point, Schwend even provided [redacted] with a car when the American no longer had access to an official vehicle. (S)

[69]"SC Munich Present and Discontinued Contacts." (S)

[70]"Suspicious Personalities – Wenceslau Turi and Hedda De Turi," 17 February 1948, TPL-263, (S), in Schwend, [redacted] DO Records. (S)

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American ambassador in Rome. Glavan, who had handled Schwend's affairs in Yugoslavia, had been arrested by CIC in July 1945, but, unlike Schwend or Wischmann, he remained in confinement until August 1946. After his release, Glavan visited Schwend in Munich as he made his way to Italy. Born in Italy of Yugoslavian descent, Glavan was "an interesting personality," according to Schwend. The German recalled that Glavan "is capable, intelligent, dependable (though, no doubt, without regard for law or regulations), and [a] daring man open for any proposition." A real professional, "smuggling is Glavan's trade, and he can smuggle things, news or people and *keep his mouth shut* [original italics]."[71] (S)

Between the time of Schwend's meeting with Glavan in August 1946 and early 1948, the two men must have fallen out. In his letter to Clay, which was subsequently referred to the European Command's Office of the Director for Intelligence (ODI) and to the Central Intelligence Agency, Glavan claimed that Schwend and his wife had moved to Lima using false identities and were living from proceeds derived from counterfeit RSHA funds. Furthermore, Glavan fingered George Spitz as the individual who persuaded the Americans not to investigate Schwend for his Nazi activities. He also mentioned that several of Schwend's relatives in Switzerland and Italy supported Schwend in his South American hideout.[72] (S)

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[71] AB-43 [Holtsman], Munich, "Louis Glavan," MSC-283, 16 August 1946, (S), in Schwend, [redacted] DO Records. (S)

[72] Cable, Frankfurt to Washington, 27 January 1948, Frankfurt 628, IN 33751, (S); Cable, Heidelberg to Frankfurt, 27 January 1948, Heidelberg 2840, IN 33727, (S); and Chief of Station, Heidelberg, to EUCOM Liaison Office, "Fritz Schwend," 24 February 1948, MGM-A-365, (S), in Schwend, [redacted], DO Records. (S)

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After a preliminary investigation, CIA told the Army that it had no contact with Schwend and that it had nothing to do with his immigration to South America.[73] By February 1948, CIA had cleaned its hands of the German operator and, as it stated in a cable from Headquarters to [redacted], the allegations against Schwend "comes from a person who is probably identical with one of his co-workers in the GIS, who may possibly be denouncing Schwend for personal or business reasons. Thus," CIA concluded, "the reliability of that information should not be taken at its face value until confirmed by other sources."[74] The Army, in turn, handed the case over to the Military Government's Financial Division to investigate Glavan's claims because it related to illegal German funds.[75] (S)

Continuing Attention (U)

The investigation into Schwend's alleged use of old Nazi counterfeit money appears to have come to a dead end. This did not mean that Schwend had successfully

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[73]Headquarters directed [redacted] to conduct traces of Schwend in Peru and report results to Washington. See Cable, Washington to [redacted] 30 January 1948, Washington 2081, OUT 58113, (S), in Schwend, [redacted], DO Records. (S)

[74]FBM to Chief of Station, [redacted] "Fritz Schwend," 5 February 1948, TPL-W-275, (S), in Schwend, [redacted], DO Records. (S)

[75]Extract, "Progress Report for Jan. 1948," 16 February 1948, MGF-A-727, (S), in Schwend, [redacted] DO Records. In 1960, Glavan reappears in Ecuador where he had reestablished contact with Schwend. See Chief, WHD, to Chiefs [redacted], "Transmittal of Traces on Friedrich Schwend [redacted] and Additional Information on Aloys Glavan [redacted]," 21 March 1960, HEQ-W-2309, (S); and Chief [redacted] to Chief, WHD, and Chiefs [redacted], "Friedrich Schwend [redacted] and Aloys Glavan [redacted]," 15 August 1960, HEQ-A-4030, (S), in Schwend, [redacted], DO Records. (S)

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evaded his past. In 1955, an Italian court sentenced him in absentia to 24 years in prison for having ordered Glavan to kill Theophic Kamber, another Operation BERNHARD agent, who had embezzled some of the counterfeit money. While this conviction was later overturned, Italian officials still sought Schwend's arrest, as did West German authorities under an Interpol warrant.[76] After his arrival in Peru in 1947, Schwend worked for Volkswagen in Lima and also served variously as an informant for several Peruvian intelligence and security services.[77] Throughout the 1960s, Schwend's reputed counterfeiting activities, drug smuggling, and arms dealings throughout Latin America attracted the attention of CIA, the US Secret Service, the British Intelligence Service, and the *Bundesnachrichtendienst*, the West German Federal Intelligence Service.[78] (S)

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[76]Lt. Gen. Marshall S. Carter, DDCI to DD/P, Memorandum Number A-279, 1 August 1963, ER 63-6111, (S), in Schwend, [redacted], DO Records. (S)

[77]"Unsigned Memorandum for the Record, Fritz Paul Schwend," 7 February 1963, (S), in Schwend, [redacted] DO Records. (S)

[78]In 1963 and again in 1969, the West German Federal Intelligence Service requested that CIA provide name trace results on Schwend. Cable Munich to Washington, 7 February 1963, Munich 4699, IN 63752, (S), and Chief [redacted] to Chief, EUR and Chief [redacted] "Request for BDC Check and Traces," 14 July 1969, EGMA-72853, (S), in Schwend, [redacted] DO Records. For the results of the trace done by CIA's representative to the US Army headquarters in Heidelberg, see Cable, Frankfurt to Washington, 8 April 1963, Heidelberg 4043, IN 13240, (S), in Schwend, [redacted], DO Records. This cable provides additional information about West Germany's legal efforts against Schwend. Trace results on Schwend at the Berlin Documents Center are found in the files for both 1963 and 1969. In 1965, the British Intelligence Service told CIA that Schwend had approached the MI 6 [redacted] and offered to sell information. The British refused to make any deals despite Schwend's claim to have worked for CIA. The Agency, in turn, replied "Schwend's statement that he had been secretly taken out of Germany by this Agency in 1946 and had subsequently worked for us is quite false." CIA Headquarters told the British representative in Washington, "we have no operational interest in Schwend and believe your Head Office was well advised in recommending that your [redacted] have nothing to do with this man." See [redacted], MI 6 Representative in Washington, for [redacted], MI 6 chief of station, to [redacted], "Frederick Schwend,"18 February 1965, CP/4965, (S); [redacted] to [redacted], "Frederick Schwend," 17 March 1965, 2871, (S); and Chief, WHD to Chief [redacted], "Frederick

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Schwend's case even came to the attention of Lt. Gen. Marshall S. Carter, the Deputy Director of Central Intelligence, in August 1963. Carter received visitors from the Secret Service who were anxious to learn more about Schwend's wartime counterfeiting activities and whether any communist countries, such as Czechoslovakia or Cuba, had employed him in the counterfeiting field. Gen. Carter told Richard Helms, the Deputy Director for Plans, "I did not pay too much attention to the details since I did not want to become a case officer for this one!" The DDCI, however, directed Helms to contact the Secret Service and "unless there are overriding reasons to the contrary with which I am not familiar (and on which I would like to be briefed if existent), please cooperate to the fullest extent."[79] (S)

Following up on the Secret Service request, the Agency directed a source in the Peruvian Investigations Police to approach Schwend and ask if he was involved in any counterfeiting activity. Schwend denied that he was involved in any current activity, but he proceeded to tell the Peruvian informant about his wartime role with Operation BERNHARD. Schwend claimed that he did not know where the plates for the British

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Schwend/Contact with SMOTH in [redacted]' 26 March 1965, HPLW-3864, (S), in Schwend [redacted] DO Records. (S)

[79]Lt. Gen. Carter, DDCI to DD/P, Memorandum Number A-279, 1 August 1963, ER 63-6111, (S); unsigned Memorandum, "Meeting with Assistant to Chief, Secret Service," 12 August 1963, (S) and Chief, WHD, to Chief [redacted] "Operational – Frederick Schwend," 9 August 1963, HPLW-3114, (S), in Schwend, [redacted], DO Records. (S)

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counterfeit pounds were buried, although he suspected that they might be located with a cache of RSHA chief Kaltenbrunner's papers near Toplitzsee in Austria.[80] (S)

As a result of the Secret Service's inquiry, CIA took a closer look at Schwend's activities in Latin America. A West German walk-in to the US Embassy in Algiers in 1966, for example, claimed to be able to provide fresh samples of counterfeit dollars produced by Schwend in exchange for "financial help."[81] After the Peruvians arrested and interrogated Pierre Robert Roesch in April 1966, CIA learned that Roesch made a number of allegations against Schwend, including that he was in contact with an East German named Julius Mader. Shortly afterward, the US Army in West Germany intercepted a letter from Schwend in which he described his work in Italy during the war and denounced his former collaborator, Louis Glavan.[82] (S)

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[80]Cable, [redacted] to Director, 11 October 1963, Lima 4632, IN 37627, (S), and James J. Angleton to Chief, United States Secret Service, "Frederick Schwend," 21 October 1963, (S), in Schwend, [redacted], DO Records. (S)

[81]Cable, [redacted] to Director, Bonn, Info [redacted] 25 November 1966, [redacted] 8023, IN 46069, (S), and Cable, [redacted] to [redacted], Info Bonn, Director, 28 November 1966, [redacted] 0063, IN 47738, (S), in Schwend, [redacted] DO Records. (S)

[82]Chief [redacted] to Chiefs, WH Division, Europe, and Chief [redacted] "Results of [redacted] Interrogations of Pierre Robert Roesch," 24 June 1966, HPLA-8118, (S); and Deputy Director for Plans to FBI, "Federico Schwend," 13 February 1967, CSCI-316/00667-67, (S), in response to John Edgar Hoover to Director, Central Intelligence Agency, "Alois Jecoslav Glavan," 21 December 1966, DBB-67314, (C), enclosing translation of 18 August 1966 letter from Schwend to Julis Mader, a "well-known East German political agitator." Schwend's comments about Glavan drew the attention of the FBI. In his letter, Schwend called Glavan "the biggest swine whom I ever met." Schwend commented that he had helped to get Glavan out of an American prison and enabled him to escape to South America. In return, Glavan stole $15,000 and a 23-carat diamond from his benefactor. Schwend thought that the Yugoslav, who had many false names, had become a spy in California before moving to Ecuador. Despite Schwend's efforts to have Glavan arrested, he managed to escape. (S)

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Schwend's Adventures (U)

The Agency's reporting on Schwend tails off in the early 1970s just when the press began to publicize the presence of former Nazis in South America. According to one book, Schwend collaborated with Klaus Barbie in trafficking arms in Spain, Chile, and Paraguay. Both men manipulated the intelligence and security services throughout Latin America and received protection from various countries.[83] As early as 1966, CIA learned from an interrogation report that Schwend was in contact with Klaus Altman, a name used by Barbie. That same year, CIA in Peru described Schwend as a "completely unscrupulous person who thrives on intrigue and illicit schemes. Has bought protection for himself in Peru by establishing high level political contacts and by peddling info to local security service."[84] (S)

During the investigation of a murder of a wealthy Peruvian businessman in early 1972, the Peruvian Government took Schwend into custody. Papers found in his possession revealed the extent to which Schwend had blackmailed Peruvian officials, traded national secrets, and broken currency laws. While the Peruvian judge initially released Schwend, the ensuing publicity exposed Barbie's hideout. This marked the

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[83]Linklater et al, *The Nazi Legacy*, pp. 235-265. (U)

[84]Cable, [redacted] to [redacted] Info Bonn, Director, 28 November 1966, [redacted]0063, IN 47738, (S), in Schwend, [redacted], DO Records. (S)

beginning of the long trail leading to Barbie's eventual expulsion from Bolivia and return to France to face justice for his World War II war crimes.[85] (U)

Schwend's life unraveled following his arrest in 1972. The Peruvian Government tried Schwend, and he was found guilty of smuggling $150,000 out of the country; he was given a two-year prison sentence.[86] In 1976, Peru deported Schwend to West Germany, where he landed in jail once again when he could not pay a $21 hotel bill.[87] The West German and Italian Governments, however, failed to pursue the wartime murder charge, leaving Schwend a free, but homeless, man. He returned to Peru only to die in 1980.[88] (U)

Wrapped Up in the Cold War (U)

Schwend's death, by no means, brought the riddle of Operation BERNHARD to a close. In fact, the German counterfeiting plot became an opening drama at the dawn of

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[85]Ibid. In late 1972, the *New York Times*, citing a London *Daily Express* series on Martin Bormann, reported that South America provided refuge for four major Nazi war criminals: Schwend, Klaus Barbie, Josef Mengele, and Walter Rauff. Three years later, the paper noted, "thirty years have passed since the war. The scores of wanted Nazis who fled to South America, gambling that they could find refuge and anonymity in the widespread German communities here, are virtually immune to the postwar European courts and Jewish agencies that once vowed they would never forget." See "Paper Identifies 4 Nazis Said to be in South America," *New York Times*, 1 December 1972, p. 11 and Jonathan Kandell, "Nazis Safer in South America Today," *New York Times*, 18 May 1975, pp. 1 and 26. (U)

...[86]Reuters, "Nazi in Bolivia Called Chief of Peruvian Currency Ring," *New York Times*, 7 December 1973, p. 7. In addition to Schwend, the Peruvian prosecutor also indicted Klaus Barbie and four other individuals. (U)

[87]Reuters, "Nazi Forger's Bad Bills," *The Washington Post*, 14 July 1976. (U)

[88]"Nazi Plotted to Cripple British, American Economies," *Los Angeles Times*, 7 April 1980, p. 22. (U)

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the Cold War. Russian troops in Austria, for example, also fished British pound notes from the Enns River and, consequently, Soviet headquarters quickly learned about the mysterious appearance of large sums of money.[89] Like the race for German scientists, the wartime Allies quickly scrambled to procure many of Germany's skilled counterfeiters. In the spring of 1947, Army CIC in Berlin reported that the Soviets had kidnapped Franz Zemlicka, a German engraver and draftsmen, who specialized in Soviet documentation for the *Abwehr*. The Soviets failed in their attempt to apprehend Heinz Eichner, who forged passports for the *Abwehr* and RSHA *Amt VI* during the war. CIC brought Eichner to the American sector and eventually planned to move him to greater safety in the American occupation zone of Germany. The Central Intelligence Group, when it learned of the kidnap attempt on Eichner, commented, "examples of Eichner's production have come to the attention of some members of this organization; they were favorably impressed with Eichner's competency."[90] (S)

The Russians were not the only country interested in the abilities of the German counterfeiters. As the Americans drew closer in late April 1945, BERNHARD Kruger, the mastermind behind the German operation, left his charges. He took with him several thousand British pound notes and vanished. Not until November 1946 did the British catch up with him, and he was confined for the next two years. In 1949, the British turned him over to the French, who promptly tried to recruit the former SS officer to start

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[89]Report, Chief Inspector Rudkin, 26 August 1945, in McNally Report, RG 260, OMGUS Records, NARA. (U)

[90]"MVD Interest in Former *Abwehr* Forgers," 9 May 1947, MGB-3300, (S), in [redacted] Box 263, [no folder listed], CIA ARC. (S)

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a new counterfeiting operation for the French intelligence service. Kruger refused and after several more months of confinement, he was allowed to return home. Kruger lived a quiet existence into the 1980s and downplayed his wartime infamy.[91] (U)

The Secret Service also wanted to locate Solly Smolianoff because it was concerned that the Polish Jew could have run off with the plates to the America counterfeit bills. Like Kruger, Smolianoff had disappeared in 1945. Nearly two years later, the Treasury Department got a break when the American Consulate in Bern learned about a Russian professor with counterfeit money. The Swiss police arrested the Russian who, after lengthy questioning, revealed that he had been in touch with Smolianoff. It was also learned that Smolianoff then lived in Rome, waiting for a visa for South America. (U)

The Army's Criminal Investigations Division (CID) picked up Smolianoff in Rome and questioned him about his activities. He provided a full account, although he had spent most of his adult life in prison or in concentration camps. Newly married, Smolianoff announced that he wanted to abandon his counterfeiting ways and start anew in Uruguay. Released from custody, Smolianoff dropped from sight after he left for South America in 1948.[92] (U)

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[91]Bloom, *The Brotherhood of Money*, pp. 88-89. (U)

[92]Bloom, *Money of Their Own*, pp. 264-266; see also A.E. Whitaker, Agent in Charge to James J. Maloney, Chief, US Secret Service, "Eugen Ivan Zotow, Sali Smilianoff, et al; Counterfeit $100 FR (1103)," 24 September 1947, sanitized report released by the US Secret Service. (U)

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An Enduring Mystery (U)

While the search of Toplitzsee in 2000 appears to have quieted speculation that the lake was the "garbage can of the Third Reich," the lure of hidden Nazi treasures is still strong. Questions of collusion between American intelligence and the architects of Operation BERNHARD are bound to come to the forefront. (U)

In 1946, the Strategic Services Unit wrote a classified history of OSS during World War II. The RSHA Financial Operation was still fresh in the minds of the compilers of the *OSS War Report*. X-2's role in Germany and Austria was hailed as a great success story for OSS because of what it revealed about the German counterfeiting operations and the recovery of large sums of money and other valuables.[93] Yet, for all the positive attributes of the RSHA Financial Operation, it marked a growing link between American intelligence and unscrupulous Nazi characters, including Fritz Schwend and George Spitz.[94] (S)

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[93]Strategic Services Unit, History Project, *War Report of the OSS (Office of Strategic Services)*, vol. II, *The Overseas Target*. New intro. by Kermit Roosevelt (New York: Walker and Company, 1976), pp. 353-354. (U)

[94]In turn, American intelligence may have been corrupted as an aftermath of Operation BERNHARD. An unconfirmed statement indicates that at least one OSS officer may have materially gained from his work on the RSHA Financial Operation. In 1969, Army trace results reported that Schwend ten years earlier had written "various American authorities charging that during confinement by CIC in 1945 he was robbed of a considerable amount of money and that much of his immediate personal property was confiscated and never returned." The Army, given the late date of Schwend's charges, was unable to investigate and found nothing in its files to substantiate them. See Headquarters Liaison Team, US Army Intelligence Center, to Deputy Director for Plans, "Schwend, Frederico (Fritz)," 19 August 1969, (C), in Schwend, [redacted] DO Records. (S)

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Chapter Five

Long Experience in the Anti-Soviet Game (U)

Even before the end of World War II, Allied intelligence grew intrigued by the work that the Germans had done to rally much of Europe to the Nazi cause. As the Allied armies fought across Italy and France in 1944, growing numbers of Wehrmacht prisoners who fell into British and American hands were not Germans, but Poles, Czechs, Hungarians, Russians, Balts, Cossacks, Ukrainians, and dozens of other nationalities and ethnic groups that took up arms for the Third Reich. While many of these combatants proved to be less than enthusiastic soldiers, the Nazis nonetheless raised substantial manpower from Europe's non-Aryan populations. (U)

Within weeks after the collapse of German resistance, Allied intelligence pondered the advantages and disadvantages of using for its own purposes the numerous émigré groups that sought shelter in the West. As the US Army took up occupation duties in Austria and Germany, it encountered members of these groups who claimed to be not only anti-Nazi, but also anticommunist. Sorting out the various factions, their leaders, philosophical goals, motivations, and backgrounds took up an increasing amount of time and effort on the part of American intelligence as tensions mounted between the East and the West.[1] (S)

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[1]As an example, X-2 in Munich came into contact with Lithuanians in the summer of 1945, but was told to leave those groups alone for SI's exploitation. See Boleslav A. Holtsman's reporting

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Mission RUPPERT (S)

Even before the war ended, the Americans made efforts to learn more about the supposed anti-Nazi groups in Nazi Germany. On 3 November 1944, Youri Vinogradov, a 21-year old White Russian born in Germany and educated in France, crossed over German lines. Recruited by SI's Labor Division in Paris for Mission RUPPERT, Vinogradov had spent the latter part of the war in Berlin working at the Swiss Legation until his arrest and brief confinement in a concentration camp. Following his release, Vinogradov found a new job in the German capital, but finally decided to make his way to Allied lines in the fall of 1944 with plans to join the French army.[2] (S)

After making his way across the lines, he was picked up by the French and brought to Paris for interrogation by OSS. Vinogradov quickly proved to be a valuable source of information on life in Germany. He also furnished details that led to the arrest of a Gestapo agent in Paris and explained how French collaborationists operated in Germany. His new SI case officer, Lt. Albert E. Jolis, proposed that Vinogradov be returned through German lines to resume his life in Berlin. Jolis wanted Vinogradov to

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on the Lithuanian activities in Bavaria in SCI, Twelfth Army Group to Commanding Officer, X-2/Germany, "The Underground 'Government of Lithuania,'" 17 June 1945, (S), and SCI Twelfth Army Group to Commanding Officer, X-2/Germany, "Union of the Combatants for the Freedom of Lithuania," 19 June 1945, both in DO Records, [redacted], Box 515, Folder 2, CIA ARC. See also Headquarters, Third Army Intelligence Center, Research Section, to G-2, Intelligence Center, "The Government of Lithuania (Supreme Lithuanian Committee of Liberation)," 3 June 1945, (S), in DO Records, [redacted] Box 515, Folder 2, CIA ARC. (S)

[2]The basis of this account regarding Vinogradov's work with OSS is found in 1st Lt. Albert E. Jolis to Col. David K. Bruce, "Mission RUPPERT," 14 October 1944, [no classification listed], in Michael Kedia, [redacted], DO Records. Mission RUPPERT is also recounted in Joseph E. Persico, *Piercing the Reich: The Penetration of Nazi Germany by American Secret Agents during World War II* (New York: Viking Press, 1979). (S)

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penetrate the SD through an acquaintance, who he claimed worked for the Nazi security service. This man, a Georgian, "served the Nazis out of his opposition to the Stalin regime. His position," Vinogradov told Jolis, "is now extremely delicate. He dreads the arrival of the Russian armies and will undoubtedly grab at any opportunity of being able to show that he helped the Allies." Jolis hoped Vinogradov would obtain an organizational layout of the SD and learn its plans for resistance after Germany's defeat. In addition, Vinogradov would also seek out targets to be attacked by Allied aircraft and keep his finger on the pulse of life in Berlin. He would have no radio to communicate with SI, but he would let OSS know that he had arrived safely by placing advertisements in two Berlin newspapers as well as sending a postcard to an address in Switzerland.[3] (S)

German troops quickly seized Vinogradov and passed the White Russian, who claimed to be dissatisfied with life in Paris because of the growing strength of the Communist party in France, to SD *Amt VI's* office in Strassburg. Vinogradov claimed that he was an agent for an SD collaborator named Michael Kedia, president of the Georgian National Committee in Berlin and a critical link between the Nazis and various Caucasian and Turkestan nationalist groups. Vinogradov was directed to report to a *Standartenfuhrer* Bickler in Baden Baden, where he underwent an interrogation for three days. He was then allowed to proceed to Berlin to visit his sick mother. He arrived on 7 November, changing trains 14 times en route due to the Allied bombings. On arriving in the city, he contacted Kedia.[4] (S)

The next day, the Gestapo arrested Vinogradov after learning that he had returned from Paris. Taken to a local office, Vinogradov met *Sturmbannfuhrer* Erich Georg-Karl

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[3] 1st Lt. Albert E. Jolis to Col. David K. Bruce, "Mission RUPPERT," 14 October 1944, [no classification listed], in Michael Kedia, ⊏ ⊐ DO Records. (S)

[4] "Personal Report of Agent RUPPERT," c. April 1945, [no classification listed], in Kedia, ⊏ ⊐ DO Records. (S)

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Albin Hengelhaupt, the *Amt VI* referent on Russian émigré matters.[5] Once again his luck held. Hengelhaupt, who worked closely with Kedia, trusted Vinogradov and accepted him as an *Amt VI* agent. Vinogradov was allowed to remain in Berlin, where he fought various character denunciations while collecting information on the SD. As the Soviets approached in April 1945, he managed to escape to the West with a group of fellow Georgians, and he fell into American hands near Eisenach. He was transferred to Paris for further debriefings.[6] (S)

The RUPPERT Mission was one of only three OSS operations in Germany in December 1944. While OSS did not have regular contact with Vinogradov during his five months in Berlin, he provided extensive information from the capital. Most importantly, Vinogradov opened the eyes of OSS to the existence of an entire underground network of Eastern Europeans who supported the Nazi cause. Upon his return to Paris, he told OSS that he had been in regular contact with Prof. Gerhard von Mende of the *Ostministerium* and a special assistant to Alfred Rosenberg, and with Michael Kedia.[7] Vinogradov also told the Americans that Kedia and his followers had

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[5]For further details on Hengelhaupt, see Hecksher to FBM, "SS Stubaf. Dr. Erich Hengelhaupt," 29 May 1947, MGH-003-529, XARZ-28061, (S), enclosing Hecksher to FBM, "SS Stubaf. Dr. Erich Georg-Karl Albin Hengelhaupt," 26 April 1947, MGH-003-426, (S), with a copy of Maj. J. Walmsley, 7 Review and Interrogation Staff, 7 Civilian Internment Camp, British Army of the Rhine, "Report on the Interrogation of Dr. Erich Georg-Karl Albin Hengelhaupt," 7 March 1947, [no classification listed], in WASH-REG-OP-1, DO Records, [redacted], Box 4, Folder 27, CIA ARC. (S)

[6]"Personal Report of Agent RUPPERT," c. April 1945, [no classification listed], in Kedia, [redacted], DO Records. (S)

[7]Alfred Rosenberg was a leading figure in the development of Nazi anti-Semitism in the years before the war. Born in Estonia, Rosenberg lived in Russia during the revolution and fled to Germany where he became an avid supporter of Hitler. In 1941, Hitler appointed Rosenberg as the Reich Minister of Eastern Occupied Territories. While he did not decry the Nazi genocide, Rosenberg worked to get the Russian minorities to cooperate against the Soviets. The Allies tried Rosenberg for his role during the Third Reich and sentenced him to death at Nuremberg in 1946. (U)

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escaped from Berlin to Switzerland where they wanted to meet with an American representative. Kedia, according to Vinogradov, hoped to contact the International Red Cross to assure the safety of the Georgians in Germany so as to prevent their repatriation to the Soviet Union. He also sought Allied protection of some 100 officials, both German and non-German, who were "most active in anti-Russian activities." Most interestingly, he wanted to meet with OSS to discuss the "'mutual' problem of penetrating Georgia and Russia." Kedia, Vinogradov felt, was hoping to meet with the Americans on behalf of other unnamed individuals in the German SD, SS, and Wehrmacht.[8] (S)

Jolis quietly coordinated with the OSS station in Bern to establish contact with Kedia's group "to determine what intelligence potential they represented."[9] At this point, OSS had only a limited knowledge of Kedia's background as the leader of the Georgian movement in Germany.[10] Jolis suggested a plan of action:

> To talk with Kedia and find out what information he can give us immediately on the SD and the post-hostilities clandestine movement.
>
> Inform him of the treatment accorded to Russians captured by the American forces (both Wehrmacht and civilian personnel) who either do not wish to return to Russia or do not acknowledge Soviet citizenship.
>
> Ascertain who are the 100 persons whom he wishes to protect and obtain a list aof their names, pseudonyms, jobs, physical descriptions, if possible.

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[8]Thomas S. Wilson, OSS/Labor Division to Cdr. Thomas G. Cassady and Maj. Robert B. Dodderidge, "Preliminary Report on Mission RUPPERT (Youri)," 16 April 1945, (S); "Mission RUPPERT," 19 April 1945, [no classification listed]; and "Mission RUPPERT: Summary of Mission and Results Obtained as of this Date," 31 May 1945, [no classification listed], all in Kedia, [redacted], DO Records. (S)

[9]"Mission RUPPERT: Summary of Mission and Results Obtained as of this Date," 31 May 1945, [no classification listed], in Kedia, [redacted], DO Records. (S)

[10]For a summary of what OSS knew about Kedia by the spring of 1945, see the entries on OSS Form 1652a in Kedia [redacted], DO Records. (S)

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> Give him passwords whereby the above persons can contact OSS Field Detachments.
>
> Indicate to him that such persons will be treated as P/Ws (and will not be turned over to the Russians) but that any other concessions will depend entirely upon their value to us after suitable opportunities for interrogation and screening.[11] (S)

In late April, Jolis and Vinogradov slipped into Switzerland to meet with Kedia and his motley group in Geneva. What Jolis found there did not please him. "He was not," the SI Labor Division officer wrote a month later about Kedia, "a suitable person to be used for current intelligence objectives. His fanatical anti-communism, which amounted to a strong desire to see an early war between Russia and the US as a means of realizing the independence of the Caucasus, and the fact that basically he is a political activist and revolutionary, rendered it essential for security reasons that no commitments be made to him, and that contact be held to a minimum." Jolis still expressed the hope that Kedia could be the source of leads on Nazi planning for postwar resistance.[12] (S)

But the Allies Must Know Stalin (U)

With the end of the war, OSS began to learn more about Kedia and his shadowy movement. On 11 May 1945, for example, a few days after the German surrender, Eduard Waetjen, a German lawyer and *Abwehr* officer who had defected to the Allies in 1944, told Allen Dulles in Switzerland what he knew about Kedia and the Georgians. Kedia, born in 1902 in what had been the Sudetenland region of Czechoslovakia, was a

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[11] "Mission RUPPERT," 19 April 1945, [no classification listed], in Kedia, [redacted] DO Records. (S)

[12] "Mission RUPPERT: Summary of Mission and Results Obtained as of this Date," 31 May 1945, [no classification listed], in Kedia, [redacted], DO Records. (S)

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German national of Armenian heritage. He fled Georgia after the Russian Civil War and settled in Paris, where he allied himself with the exile government of Georgia. In 1940, he became the president of the Caucasian National Committee, a loose alliance of Georgians, Armenians, Azerbaijans, and Caucasians, formed by the Germans to support the Nazi cause. During the war, the Committee recruited troops to serve with the Germans and agents to penetrate Soviet-held territory. The Committee acted as the government-in-waiting for the time when their nations were free of the Bolshevists, but the Nazi regime was ambivalent in its support of the various nationalities.[13] (S)

Waetjen expressed his opinion that Kedia was "a person of great decency, strong character, sharp intelligence and trustworthiness. Knowing him," the German agent told Dulles, "we should give his friends the benefit of the doubt." Kedia and his comrades were not traitors, but sought to free their homelands from the yoke of communism. Waetjen urged the Americans to aid Kedia and other Georgians now in Allied prisoner-of-war camps. By all means, they should not be turned over to the Russians, Waetjen reported to Dulles.[14] (S)

Kedia stated his own case in an "aide memoire" that he prepared for Jolis on 28 [illegible] 1945. He justified his Committee's struggle against the Soviets and expressed his vision of the future, now that Germany lay vanquished:

> The principal question which dominates the international situation today is the determination of Stalin to emerge as sole beneficiary from this war which has been fought with so much sacrifice by the Allies . . . .
>
> His aims are no longer the defeat of Nazi Germany, a fact which is already practically accomplished, but the expulsion of the Anglo-Saxons in Europe, Asia,

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[13] Waetjen to Dulles, "Michael Kedia and His Friends of the Caucasian National Committee," 11 May 1945, [no classification listed], in Kedia, [redacted], DO Records. (S)
[14] Ibid. (S)

and wherever else he can. In addition to his legendary cunning and his iron will, he possesses throughout Europe and Asia armies of discontented people and fifth columns. The ranks of these fifth columns are being swelled in proportion with Stalin's advance through Europe under the halo of a Liberator . . . .

In face of this grave danger which threatens them, the world democracies must face Stalin without a day's delay with an active and tenacious policy. If the democracies wish to avoid committing suicide they must prepare a cordon and organize the people on this side of the barricade before the explosion of inevitable armed conflict . . . .

With regard to the people of Eastern Europe including non-Russians in the USSR who number 90 millions, the Baltic states, White Ruthenia, the Ukraine, the Caucasus, Turkestan, Volgar-Tatar, and the Taxus people of the Crimea for whom I and my friends were the spokesmen in Berlin; their organization and direction will be simple. These people all want to separate from Russia and establish the independence of their countries . . . .This great mass of men consisting of several hundreds of thousands cannot of course be organized on a policy based on a concept of the 'sub-human' out of the east, but with a democratic policy of Liberty and the self-determination of peoples.

The first thing to be done in this direction is to prevent at once all the Caucasians and other non-Russian people who have fallen into the hands of the Western Allies as prisoners, refugees or deported workers from being returned to the Russians . . . .

I hope that our apprehensions and fears for the policies and person of Stalin will be received by you with more understanding than they were by the Nazi government of the Herrnvolk who thought they understood everything better than us poor 'sub-humans' from the East.[15] (S)

OSS did not follow up on Kedia beyond interrogating a few of his followers, who had now scattered into refugee camps throughout Europe. In one case, OSS found a Kedia collaborator, took him to X-2's interrogation center in Paris, and then turned him

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[15]"Translation of Aide Memoire Prepared by Kedia," 28 April 1945, [no classification listed], in Kedia, [redacted], DO Records. (S)

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over to the French. Kedia and a number of the other émigré leaders remained in Switzerland where they quickly attracted the attention of the local authorities. (S)

In January 1946, an officer from X-2 met with the Georgian to discuss his collaboration with the Germans and his activities in Switzerland since the previous May. Kedia, "appeared ready to answer all questions," even claiming that he had helped to protect Georgian Jews while trying to save those Georgians who had become Nazi prisoners of war. He was still anxious to work with the Americans, but grew concerned that he would not be able to do so if the Swiss placed him in an internment camp. He urged his American contact to talk with the Swiss to prevent his detention. Paul Blum, X-2's chief in Switzerland, however, was not convinced that Kedia was all that he seemed. Based on leads from several informants, Blum observed that Kedia could be a possible Soviet spy. "In view of this confused story, our incomplete information on Kedia and his Georgians and their many contacts, DB-1 [Blum] is leery of the whole situation," X-2 reported to Washington. "For, if Kedia, who appears to be a professional White Russian, is actually in contact with the JE-Land [Soviet] service and is offering his network in a penetration attempt, any action on our part would involve a triple agent operation."[16] (S)

As 1946 progressed, Headquarters in Washington grew interested in the role of the Georgian émigrés in the Third Reich. In March, SSU sent out a lengthy study, "Georgia and the Georgians," that had been prepared to provide field stations with some

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background material. X-2 in Washington also summarized its information on Kedia contained in the larger study. SSU had ascertained that Kedia's contact with the Germans had started in September 1940 when he began to work for the *Abwehr*. He specialized in the recruitment for the *Abwehr* of Georgian emigres in France. Later during the war, Kedia recruited a legion of Georgians to serve in the German army. SSU believed that Kedia had also been the head of the section of the *Sicherheitsdienst* involved in German sabotage and other subversive actions in the East (the so-called ZEPPELIN operations). Kedia was implicated in several pro-Nazi organizations, including the Georgian National Committee under the *Ostministerium*. From a variety of reports, SSU headquarters determined that Kedia was an "opportunist," willing to take advantage of the situation for his own gain.[17] (S)

Perhaps for this reason, American intelligence kept Kedia at a distance for the next couple of years until he simply disappeared. While the Agency collected an extensive amount of material on him, his activities, and collaborators, Americans remained skeptical of the man and his motives.[18] Richard Helms, Foreign Branch M's

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[16]DB-5 [identity unknown] to SAINT, Washington, "Michael Kedia, Georgian Nationalist," 30 January 1946, BX-625, XARZ-26814, (S), in Kedia, [redacted] DO Records. (S)

[17]SAINT to SAINT, Bern, "Georgians in General – Kedia et al," 13 March 1946, XARZ-28659, (S), in Kedia, [redacted], DO Records. A copy of the study, "Georgia and the Georgians," is also located in Kedia, [redacted], DO Records. (S)

[18]Kedia's file after 1947 contains reporting from numerous sources, including American, German, Swiss, and Ukrainian, about Kedia and his activities. Much of it deals with suspicions that Kedia was a Soviet agent and that his wife in Paris was the mistress of a high-ranking Soviet official. The files show that, while the CIA was interested in Kedia as an intelligence personality, the Agency did not recruit him as an agent or employ him for other purposes. The Georgians, however, were among the groups that the Office of Policy Coordination later tried to

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chief, summed up the feelings in Washington in a note to [redacted] now the chief of station in [redacted] in late December 1946:

> Our present stand on the handling of Kedia and the Georgian group is, very simply, that every effort should be made to obtain as much additional information as possible on Kedia and his Georgian associates and that, for the time being, no action whatever be taken on the utilization of Kedia and his associates for operational purposes . . . . It is worth stressing that whether or not these lads are ever employed in any fashion for the procurement of intelligence, detailed coverage of their present and future activities represents a positive political intelligence target of interest in Washington not only to State but also to the Army and the Navy.
>
> We agree most heartily with your reservations on keeping a potential Kedia operation completely away from Germany and from the White Russians; although in general terms and looking ahead for a few years, we can reasonably estimate that whatever anti-Soviet minority groups maintain their organization for the next year or two will inevitably coalesce into a more and more closely knit 'bloc' and consequently make it extremely difficult to conduct any type of collaboration with one group unbeknownst to the others.[19] (S)

Incredible Complex of Groups (U)

Helms's statement to [redacted] foresaw the growing American interest and eventual utilization of the Ukrainian emigre movement in Germany. The young Central Intelligence Agency established its closest bonds with the Ukrainians. These ties

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rally as an anticommunist front group. Entries in Kedia's file, however, end in 1953. Interestingly, Kedia's 201 file is among the first personality files organized by the new CIA in 1948. (S)

[19]Helms to [redacted] "Kedia and the Georgians," 16 December 1946, X-9010, XARZ-28658, (S), in Kedia, [redacted], DO Records. A copy of this same document is found in DO Records, [redacted], Box 6, Folder 126, CIA ARC. (S)

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lasted long after the Agency realized that the Ukrainian exiles could not penetrate the Iron Curtain to contact the small underground anti-Soviet movement there. (S)

By April 1946, the Strategic Services Unit had established contact with the Ukrainian resistance movement in Western Europe.[20] Hesitant at first, SSU's contact marked the start of one of the CIA's oldest covert action projects.[21] It also marked the beginning of a controversial relationship between the Agency and a large Eastern European population in which many had supported Nazi Germany's invasion of the Soviet Union. While sharing a hatred for Russian imperialism and Soviet Communism, many Ukrainians also despised Poles and Jews. The war that passed over Ukraine became deeply entangled in ancient hatreds; the Agency's Cold War support to the Ukrainian émigré struggle also became entwined with these age-old conflicts. (C)

Throughout 1946, American intelligence grew interested in anti-Soviet resistance movements in the Soviet-occupied areas of Eastern Europe.[22] Through a sensitive source

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[20]Portions of this chapter appear in condensed form in Kevin C. Ruffner, "Cold War Allies: The Origins of CIA's Relationship with Ukrainian Nationalists," in [redacted], *Central Intelligence: Fifty Years of the CIA* (Washington, DC: Central Intelligence Agency, 1998), pp. 19-43. (S)

[21]A description of the first contact between American intelligence and the Ukrainian nationalists is found in [Zsolt Aradi] to Chief of Mission, "Belladonna Project," 24 June 1946, (S), in DO Records, [redacted] Box 168, Folder 5, CIA ARC. For a request to vet various Ukrainian clerics as SI agents, see Cable, Vienna to SSU, War Department, 13 June 1946, Vienna 131, IN 38136, (S), in DO Records, [redacted] Box 3, Folder 25, CIA ARC. A week earlier, SI/Austria designated the American-Ukrainian contact as Project Belladonna. Alfred C. Ulmer, Jr., to Chief, SI, SSU/Germany, "Project Belladonna," 7 June 1946, (S), in DO Records, [redacted] Box 168, Folder 5, CIA ARC. (S)

[22]SSU disseminated what it knew about the Ukrainians, their various factions, and the extent of collaboration with the Germans in SAINT, AMZON to SAINT, "Ukrainian Nationalist Movements," 24 June 1946, LWX-485, in WASH-INT-REG-163, RG 226, OSS Records, Entry 108A, Box 284, [no folder listed], NARA. SSU's London station response to this report is found in SAINT, London to SAINT, AMZON, "Ukrainian Nationalist Movements," 16 July 1946, XX-12288, in WASH-REG-INT-169, RG 226, OSS Records, Entry 109, Box 91, Folder 133, NARA. (U)

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in Switzerland, OSS had first learned in the summer of 1945 that Ukrainian partisan groups, active in fighting the Germans, were now engaged against the Soviets.[23] X-2's Boleslav A. Holtsman in Munich became the primary American contact with the Ukrainian leaders in the American zone in Germany.[24] By September 1946, Holtsman had obtained reports from Ukrainians dealing with the organization of Soviet intelligence in Western Europe.[25] American intelligence also learned through other sources about the partisan struggle in the Ukraine.[26] (S)

SSU in Washington initially told its subordinates in Germany that "these White Russians and Ukrainians have but one aim and that is to create dissension between us and the Russians since they must be intelligent enough to know that their specific aim, i.e., the independence of the Ukrain[e] or of White Russia, is practically impossible of fulfillment."[27] Headquarters also told its German mission that "we believe here that generally it is not a good idea to have our officers make **direct** contacts with these

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[23]523 [Henry Hyde] and 789 [Unidentified] to Lester C. Houck, Chairman, Reporting Board, "Attached Intelligence Reports," 15 August 1945, (S), in DO Records, Job 91-01046R, Box 2, Folder 37, CIA ARC. (S)

[24]Holtsman made preliminary contact with the Ukrainians through his Russian sources in July 1946 and reported what he had learned in "Ukrainian Groups Now in Germany (General Info)," 17 August 1946, LWX-965, in WASH-REG-INT-163, RG 226, OSS Records, Entry 108A, Box 285, [no folder listed], NARA. (U)

[25]SAINT to SAINT, Bern, "Ukrainian Nationalist Movement," 27 September 1946, X-8363, (S), in DO Records, [illegible], Box 1, Folder 9, CIA ARC. (S)

[26]Open press reporting on resistance to the Soviets was fairly common in the years after the war. As an example, see a September 1946 report in a Warsaw newspaper translated in FR/Berlin, "Poland/UPA (Ukrainian Insurgent Party), Directed against Polish and Russian Regimes," 18 December 1946, Peter Report A-1163, (S), in WASH-REG-INT-131, DO Records, [illegible] Box 258, [no folder listed], CIA ARC. (S)

[27]SAINT to SAINT, AMZON, untitled memorandum, 12 August 1946, X-8014, (S), in DO Records, [illegible]6R, Box 1, Folder 9, CIA ARC. (S)

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dissident groups before we have had an opportunity to find out much more than we know now about their individual background, reliability, and motivation."[28] (S)

American reservations, however, centered on the practicality and reliability of the Ukrainians—not on their wartime affiliations. X-2's vetting personnel in Germany expressed doubts about the reliability of Russians and other Eastern European nationalities. "The White Russians . . . possess long experience in the anti-Soviet game. In this respect the GIS [German Intelligence Service] background of many of them becomes an asset, however distasteful." These same groups posed immense problems for American intelligence because of "the sometimes almost incredible complex of groups and ramifications of groups with which they are involved." According to a memorandum to Washington in the summer of 1946, "the groups are the objects of vigorous Soviet penetration attempts. Their relationships to other groups, their composition, even their philosophy, shift." US intelligence officials were reluctant to use these sources because "their ramifications stretch across borders, defying all attempts at definition."[29] Zsolt Aradi, a Hungarian consultant in Munich with SSU, wrote a detailed account of the Ukrainian nationalist movement, its tumultuous history, leaders, émigré groups, and religious background. The study also listed Nazi organizations that administered occupation policies in the Ukraine during World War II and discussed native collaborators.[30] (S)

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[28]SAINT to SAINT, AMZON, "Ukrainian Nationalist Movement," 19 September 1946, X-8276, (S), in DO Records, [redacted] Box 1, Folder 9, CIA ARC. (S)

[29]SAINT, AMZON to SAINT, "White Russians–Vetting Policy," 31 August 1946, LWX-1058, (S), in DO Records, [redacted] Box 1, Folder 11, CIA ARC. (S)

[30]Strategic Services Unit, "Ukrainian Nationalist Organizations," Intelligence Brief No. 13, 15 October 1946, in Zsolt Aradi, "Ukrainian Nationalist Movement: An Interim Study," October 1946, (S), in History Staff Records, HS/CSG-2482, [redacted], Box 5, CIA ARC. (S)

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Citing Aradi's study, SSU's Director, Col. William Quinn, recommended that American intelligence concentrate on gathering information about Ukrainian groups before "major steps are taken to exploit them for intelligence purposes." He believed that US officials could obtain much of the information from open sources, but warned that "unwillingness of a source to provide the information required must be interpreted as evidence of bad faith and **ipso facto** [original emphasis] good ground for treating such sources with the utmost caution."[31] Quinn summarized current activities among the scattered Ukrainian groups and their impact on American intelligence:

> The elements of the Ukrainian Nationalist movement . . . are presently engaged in acquiring allies in their struggle against the USSR or, at least, in gaining sufficient moral and physical support to maintain their existence in exile. Their leaders, therefore, create the impression that their cause is just, that their past record is a clean one, that there exists a strong resistance movement in the Soviet Ukraine, that they have excellent intelligence services leading directly into the USSR, and that they are backed by an efficient organization.[32] (S)

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[31]Ibid. As an example of what American intelligence gathered on the Ukrainians in the fall of 1946, see AB-51 [Hecksher] to [redacted] "Miscellaneous Ukrainian Personalities," 4 November 1946, MGH-002-1104a, LTS-827, (S), in DO Records, [redacted] Box 48, Folder 42, CIA ARC. In this document, the Counter Intelligence Branch at USFET's G-2 interviewed Roman Stepanovich Smal-Stotsky, an Ukrainian professor and the "minister of propaganda" in the UNR, the *Ukrainski Narodna Republica*, an organization that claimed to be the Ukrainian government-in-exile in Germany, who had applied to teach in the United States. CIG later published a fuller report of the interview with Prof. Smal-Stotsky in late 1946, but Headquarters did not disseminate the information to its consumers. See External Survey Detachment, Intelligence Report, "Ukrainian Organizations [and Personalities], 14 December 1946, MGH-409, (S), in WASH-REG-INT-131, DO Records, [redacted], Box 271, [no folder listed], DO Records. Smal-Stotsky recounted at great length the work that his friend, Gen. Paul Shandruk, did during the war as the commander of Ukrainian troops in the German service and his postwar activities in Munich. In early November 1946, CIG reported that the Army's G-2 had also interviewed Shandruk, who reportedly offered to set up an intelligence network in the Ukraine for the Americans at a monthly cost of $2,000. See AB-51 [Hecksher] to [redacted] "General Szandruk, Head of the UPA (Ukrainian Partisan Army)," 4 November 1946, MGH-002-1104c, LTS-826, (S), in DO Records, [redacted], Box 48, Folder 42, CIA ARC. (S)

[32]Ibid. (S)

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The SSU director then admitted "actually, these are almost all open questions for each of the major groups concerned. The Ukrainian Nationalist leaders are among the most highly opportunistic groups in Europe," Quinn reported. "They are adroit political intriguers and past masters in the art of propaganda. The attempts of the old OUN [Organization of Ukrainian Nationalists] leadership, for example, now representing UHVR-UPA [Foreign Representation of the Ukrainian Supreme Liberation Council-Ukrainian Insurgent Army], to give the movement a 'democratic' aspect and to represent it as the **only** [original emphasis] effective Ukrainian group have been especially conspicuous in recent weeks–the first statement is false, and the second is yet to be proved."[33] (S)

Stefan Bandera and the Organization of Ukrainian Nationalists (U)

Col. Quinn had good reason to question the motives of the Ukrainian nationalists. The Organization of Ukrainian Nationalists, formed in Prague in the late 1920s to fight for Ukrainian independence, split at the outbreak of the Second World War. The bulk of the Organization followed Stefan Bandera while a smaller segment remained with Andrey Melnik. Both factions had participated in terrorist activities against Polish officials before the war. To complicate matters further, Ukrainian nationalists allied themselves with Nazi "liberators" during of Operation Barbarossa in 1941.[34] (U)

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[33]Ibid. (S)

[34]Ukrainian collaboration with the Nazis is discussed in Boshyk, ed., *Ukraine during World War II*, pp. 61-88. The historical backdrop to Ukrainian political activism is found in John A. Armstrong, *Ukrainian Nationalism*, 2d ed., (New York: Columbia University Press, 1963). See also Jeffrey Burds, *The Early Cold War in the Soviet West Ukraine 1944-1948*, The Carl Becker Papers, no. 1505 (Pittsburgh: University of Pittsburgh, 2001); Alexander J. Motyl, *The Turn to the Right: The Ideological Origins and Development of Ukrainian Nationalism, 1919-1929* (New

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While Ukrainian enthusiasm dimmed after the Nazis failed to support Ukrainian statehood, thousands of Ukrainians fought with Germans until the end of the war. At the same time, the OUN's leaders also stated that they had been held in German concentration camps during the war. These claims made it difficult then, and now, to determine the full extent of Ukrainian collaboration with the Nazis. (U)

Stefan Bandera, one of the leading Ukrainian nationalists, earned a fierce reputation for conducting a "reign of terror" against the Poles, according to an OSS report issued in September 1945. "The mere mention of the name 'Bandera' invariably brings curses and imprecations among Polish refugees, OSS officers discovered." OSS summarized its information on this notorious Ukrainian nationalist:

> Bandera is a young and violent student who some five years ago began opposing the elderly Melnik as leader of the OUN [Organization of Ukrainian Nationalists]. In 1941 he went to Lemberg [Lvov] and proclaimed himself head of a Ukrainian state, supposedly with the approval of the German General Staff. This caused the Germans great embarrassment, and he was instructed to desist from further political activities unless given official approval. However, he and his followers began a campaign of terrorization, directed mainly against the followers of Melnik, which resulted in his [Bandera's] arrest and

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York: Columbia University Press, 1980); and Maria Savchyn Pyskir, *Thousands of Roads: A Memoir of a Young Woman's Life in the Ukrainian Underground during and after World War I*, Trans. by Ania Savage (Jefferson: McFarland & Company, 2001). Timothy Snyder's article, "'To Resolve the Ukrainian Problem Once and For All:'The Ethnic Cleansing of Ukrainians in Poland, 1943-1947," in *Journal of Cold War Studies* (Spring 1999), pp. 86-120, provides a description of Ukrainian-Polish relations before, during, and after the war. Other sources of information include John-Paul Himka, "Ukrainian Collaboration in the Extermination of the Jews during the Second World War," in Jonathan Frankel, ed. *The Fate of the European Jews, 1939-1945 Continuity or Contingency?* (The Avraham Harman Institute of Contemporary Jewry: The Hebrew University of Jerusalem Studies in Contemporary Jewry Annual XIII) (New York: Oxford University Press, 1997). See also Sol Littman, "The Ukrainian Halychyna Division: A Case Study of Historical Revisionism," in Saul S. Friedman, ed., *Holocaust Literature: A Handbook of Critical, Historical, and Literary Writings* (Westport: Greenwood Press, 1993), pp. 279-300. (U)

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confinement at Klein-Sachsenhausen. Melnik was also arrested. Both were later released, however, when the Wehrmacht and Ostministerium attempted to build up a strong Ukraine. Bandera can be regarded as both anti-Soviet and anti-German. He appears to be continuing his campaign of violence since the German withdrawal from the Ukraine.[35] (S)

As the Third Reich collapsed, many Eastern and Southern European Nazi collaborators fell into Western Allied hands as prisoners of war or displaced persons. The presence of a large body of anticommunists in Germany and Austria, with intimate knowledge of Soviet activities, proved too enticing for American intelligence to ignore. (S)

SSU's Hungarian Connection (U)

Bill Holtsman in Munich became involved with the Ukrainians through Zsolt Aradi.[36] The author of the October 1946 interim study, Aradi exploited ties to Ukrainian church officials at the Vatican in order to meet with emigre leaders in Germany and to gain positive intelligence on the Soviets. SSU moved Aradi from Italy to Austria in late 1945, where he continued to work as a "consultant." Aradi maintained close ties to his Vatican sources and, according to Alfred C. Ulmer, Jr., SSU's chief of mission in Austria, "it is believed that KILKENNY [Aradi] was one of the first to suggest to OSS the use of

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[35]OSS Intelligence Report, A-61154-a, "Activities of Bandera," 21 September 1945, (S), in Stefan Bandera, [ ], DO Records. (S)

[36]Zsolt Aradi was born in Zombor, Hungary, in 1908 of Jewish background although his father's family converted to Catholicism. He moved to Rome at the beginning of the war and worked as press attaché at the Hungarian Legation at the Vatican until the Allies liberated the city in 1944. Married to a German woman and a father of three children, SI recruited Aradi in June 1944. He worked with OSS and its successors in Italy, Austria, and Germany until he moved to the United States in early 1948. During the period that Aradi worked in Munich, he was known initially as KILKENNY and, after September 1947, as CARRYALL. For further information, see Zsolt Aradi, [ ], DO Records. (S)

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priests and Vatican contacts for obtaining intelligence in Central Europe." In the spring of 1946, Aradi became acquainted with several Ukrainian religious leaders in Rome. Through the Hungarian, Ulmer reported "it has been possible to establish contact with representatives of the so-called Ukrainian government, an anti-Soviet political group."[37] (S)

Ulmer made the following comments about the Ukrainian nationalists based on reports provided by Aradi:

> This group appears to be well organized both within the Ukraine and among Ukrainian DPs in southern Germany and Austria. It controls a strong resistance movement which appears to be giving considerable trouble to the Red Army. Two vice-presidents of the government (both of them closely connected with the Catholic Church) have been contacted in southern Germany with the view to exploiting the intelligence possibilities such a movement can furnish to SSU . . . . If all goes well, within a reasonable period of time there should be established a good line of communications to the resistance within Russia and the results of this chain will be available to both the Austrian and German Missions.[38] (S)

Both Ulmer and Gordon M. Stewart, chief of SI in Germany and later mission chief, expressed satisfaction with Aradi's efforts.[39] Ulmer claimed "it should not be

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[37]Alfred C. Ulmer, Jr., to [Unstated], "Vatican Contacts," 4 June 1946, (S), in Aradi, ⊏ ⊐ DO Records. For further details on Aradi's Vatican sources, see Lt. Benjamin H. Cushing to Harry Rositzke, "Contacts in and through the Vatican," 17 February 1947, FSRO-1379, (S) enclosing Zsolt Aradi, "Contacts in and through the Vatican," 5 February 1947, (S), in DO Records, ⊏ ⊐ Box 513, [no folder listed], CIA ARC. (S)

[38]Ibid; and Aradi to Ulmer, 19 June 1946 (S), in Aradi, ⊏ ⊐, DO Records. (S)

[39]Alfred C. Ulmer, Jr., born in 1916, received his degree in English from Princeton University in 1939. He joined the US Navy in 1941 and served with OSS throughout the war, including a lengthy period as operations officer of its German-Austrian Section and head of SI in Austria immediately after the war. He became chief of mission in Austria in November 1945 ⊏

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forgotten that much of the success for past operations is due to KILKENNY himself. He is ideally suited by years of experience in Church matters, by temperament, and as a result of intimate contact with important people within the Church to carry out these valuable and highly delicate operations."[40] Stewart asked Ulmer to tell Aradi, "I am glad that your relations in Munich are satisfactory and hope that your work in that area will soon bear fruit." Commenting on Aradi's initial approach to Ukrainian nationalists in Bavaria, Stewart wrote, "it is my understanding that Washington is quite interested in the type of contacts you are making."[41] (S)

After dealing with several Ukrainian religious figures in both Italy and Germany, Aradi met with the leaders of the Ukrainian Supreme Liberation Council (UHVR or *Ukrainska holovna vyzvolna rada*) in Germany.[42] He initially worked with Father Ivan Hrinioch and Yury Lopatinsky, two members of the Council.[43] Hrinioch, a Greek

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[40]Ulmer, "Vatican Contacts," 4 June 1946, (S), in Aradi, [redacted] DO Records. (S)

[41]Stewart to Ulmer, 19 July 1946, (S). See also Aradi to Ulmer, "Belladonna Progress," 1 August 1946, (S), both in Aradi, [redacted], DO Records. (S)

[42] [redacted] Clandestine Service Historical Series [redacted]. For unclassified reading of Ukrainian history, politics, and personalities, see Volodymyr Kubijovyc, ed., *Encyclopedia of Ukraine*, 5 vols. (Toronto: University of Toronto, 1984-1993). (S)

[43]Aradi, "Operation Belladonna," 27 December 1946, MGH-391, (S), in DO Records, [redacted] Box 1, Folder 5, CIA ARC (hereafter cited as "Operation Belladonna," 27 December 1946). According to this memo, Aradi first met a Father Diaczisyn in Rome through Father Ivo Zeiger, special adviser to the chief of the Vatican mission to the US Army in Germany. Diaczisyn introduced Aradi to Bishop Ivan Buczko, an active Ukrainian nationalist, and an adviser to the Pope on Ukrainian affairs. Buczko put Aradi in contact with UHVR's vice president in Germany, Vasily Mudry, who then passed the agent on to Hrinioch and Lopatinsky in the American zone. For further discussion of Aradi's initial contact with Ukrainian clergy, see External Survey Detachment, Intelligence Report, "UHWR and UPA," 26 October 1946, FSRO-677, (S), in Bandera, [redacted] DO Records. See also the results of an interview that Aradi had with Mudry in External Survey Detachment, Intelligence Report, "[Current] Ukrainian Affairs in Germany," 24 December 1946, MGH-410, (S), in WASH-REG-INT-131, DO Records, [redacted] Box 271, [no folder listed], DO Records. (S)

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Catholic priest and longtime Ukrainian nationalist, served as the UHVR's second vice president while Lopatinsky acted as liaison between UHVR and the Ukrainian Insurgent Army, UPA (or *Ukrainska povstanska armiia*), fighting the Soviets in Ukraine.[44] (S)

Aradi dubbed the Munich group Referat-33 (or R-33). It also included Mykola Lebed, who still lived in Rome (he later moved to Germany with American assistance in 1947).[45] Lebed served as the foreign minister of *Zakordonne Predstavnytstvo UHVR* or Foreign Representation of the Ukrainian Supreme Liberation Council. A key figure in the Ukrainian liberation movement, Lebed was also one of the most controversial. Convicted for involvement in the 1934 assassination of the Polish minister of interior, his death sentence was later commuted to life imprisonment. A founder of the *Organizacya*

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[44]Hrinioch (his name is spelled numerous ways) was the most important Ukrainian contact with the Americans during this time period. Born in 1907, Hrinioch grew up in western Ukraine where he was ordained in the Church and became an active Ukrainian nationalist. While one American case officer noted "subject was in contact with the GIS [German Intelligence Service] during the early stages of the German campaign in Galicia," American intelligence officers found Hrinioch to be "very well informed and highly intelligent" as well as "incorruptibly honest." Hrinioch, in fact, served as the chaplain of the infamous Ukrainian Nachtigall Legion of Ukrainian Nationalists, which collaborated with the Nazis during the invasion and played a major role in the 1941 proclamation of Ukrainian statehood. Hrinoich had the operational cryptonym of CAPARISON in this early period and continued to provide information to US intelligence through the 1970s. Hrinoich served after the war in his clerical role and by 1982 he had been elevated to the rank of Patriarchal Archimandrite. See External Survey Detachment, Intelligence Report, "UHWR and UPA," 26 October 1946, FSRO-677, (S), in Bandera, [redacted] DO Records. See also Acting Chief, Munich Operations Base, Memorandum to Chief, FBM, "Personal Record of CAPARISON," 6 May 1949, MGM-A-1148, (S), in Ivan Hrinioch, [redacted] DO Records. In addition, see Ivan Hrynokh entry, Kubijovyc, ed., *Encyclopedia of Ukraine*. Lopatinsky was born in 1906 and served as an officer in the Polish Army. He also joined the Nachtigall Legion and immigrated to the United States in 1953. He died in New York in 1982. Yurii Lopatynsky entry, Kubijovyc, ed., *Encyclopedia of Ukraine*. (S)

[45]"Operation Belladonna," 27 December 1946, p. 6. Referat-33 (R-33) included the following members: Hrinioch, Lebed, Lopatinsky as chiefs; Myron Matvieyko (chief of the OUN's security branch); and Yaroslav Stetsko (head of the Anti-Bolshevik Bloc of Nations). (S)

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Ukrainskych Nationaltiv or the Organization of Ukrainian Nationalists, Lebed fervently desired the independence of his homeland.[46] (S)

Aradi reported to the Americans about the members of R-33. He observed that Hrinioch, Lebed, and Lopatinsky were "determined and able men, but with the psychology of the hunted. They are ready to sacrifice their lives or to commit suicide at any time to further their cause or to prevent security violations, and they are equally ready to kill if they must." The Hungarian added, "it is always necessary to remember that they have an almost religious worship of their nation and distrust anything foreign: first and foremost, Polish; then Russian; then German." Aradi believed that if the Ukrainians were "properly treated they can be useful at any time and for any purpose."[47] (S)

By October 1946, Aradi reported that both Hrinioch in Munich and Lebed in Rome offered to provide the Americans with intelligence on Soviet activities and agents in exchange for US assistance to the Ukrainian struggle.[48] Drawing upon his contact with numerous Ukrainian groups, Aradi commented later in December that "after a thorough study of the Ukrainian problem and a comparison of information from several sources in Germany, Austria, and Rome, source believes that UHVR, UPA, and OUN-Bandera are the only large and efficient organizations among Ukrainians." Based on information provided by leaders of the UHVR, Aradi believed that this group had "the support of the younger generation and of Ukrainians at home." Aradi also noted "some other groups are envious of the UHVR complex because the organization is independent

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[46]Lebed was born in 1909 and organized the youth wing of the OUN in the early 1930s. For more information on Lebed, see Mykola Lebed, [redacted] DO Records, and Mykola Lebed entry, Kubijovyc, ed., *Encyclopedia of Ukraine*. Lebed's activities and immigration to the United States are discussed in greater detail in the next chapter. (S)

[47]"Operation Belladonna," 27 December 1946, p. 17. (S)

[48]ESD Intelligence Report, "UHWR and UPA," 26 October 1946, FSRO-677, (S), in Bandera, [redacted] DO Records. (S)

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and forceful and has always refused to collaborate with Germans, Poles or Russians."[49] (S)

First Projects (U)

In mid-1946, Aradi in Austria and Holtsman in Munich launched two separate projects involving Ukrainians in Germany. The first project, BELLADONNA, drew upon Aradi's contact with Hrinoich to dispatch Ukrainians from Germany into the western Soviet Union in order to collect information on the Soviet military. BELLADONNA had a positive intelligence function while LYNX, launched by Holtsman in July 1946 as a supplementary project of BELLADONNA, focused on the identification of Soviet agents in western Germany. Security Control in Munich (formerly X-2) replaced LYNX with a new project, TRIDENT, in early 1947 to better manage Ukrainian affairs and overall security.[50] A third project, known as UKELE, drew upon the services of a double agent known as SLAVKO.[51] (S)

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[49]"Operation Belladonna," 27 December 1946, pp. 16-17. This report also enumerates the Ukrainian proposals for cooperation. A supplement to this report is found in Aradi, "Belladonna Operations - 2," 27 December 1946, MGH-430, FSRO-985, (S), in DO Records, [redacted], Box 510, [no folder listed], CIA ARC. Aradi wrote both reports, but according to Stewart, "they are the work of Zsolt Aradi and Mary Hutchison. If you find them obscure, don't hesitate to fire questions at us. Mary did wonders in converting Zsolt's quaint English into 'Reports Style' but the material has, after all, come a long way around (Ukrainian to Hungarian or German to English) and some concepts may be a little blurred." Mary Hutchison, the wife of Capt. Gregory L. Hutchison, the adjutant of the War Department Detachment in Germany, worked with X-2 in Heidelberg. Stewart to Helms, "Belladonna Operation,' 2 January 1946 [1947], FSRO-1111, (S), in DO Records, [redacted], Box 511, [no folder listed], CIA ARC. (S)

[50]For details on these early SC Munich operations, see "CE Operational Progress Report No. 5," 17 February 1947, (S), in DO Records, [redacted] Box 513, [no folder listed], CIA ARC; "Operation Trident: Progress Report 1," 21 January 1947, MGH-642, HSC/OPS/9, (S); "Developments in the TRIDENT Project," 21 February 1947, MGH-900, HSC/OPS/026, (S); and SC Munich, "Operation TRIDENT," 15 June 1947, (S), all in DO Records, [redacted], Box 4, Folder 20, CIA ARC (hereafter cited as "Trident Project."). See also SC, AMZON to FBM,

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[redacted] used Myron Matvieyko, chief of OUN's security branch known as *Sluzba Bezpeka*, as their primary contacts in Munich for the three projects. Matvieyko, who had served as an agent for the German *Abwehr* during the war, exchanged information gained by OUN's "bunkers" in Germany with American intelligence "in return for protection in the American Zone and some minor operational supplies."[52] He, however, proved to be increasingly unreliable, and the CIA eventually dropped Matvieyko in 1950 for "ineptitude." The following year, Matvieyko defected to the Soviets after his return to the Ukraine on a secret British mission. He later denounced the entire Ukrainian emigre leadership as Nazi collaborators and tools of the "capitalist intelligence services."[53] Matvieyko's defection seemed at the time to confirm some American and Ukrainian suspicions that he had been a Soviet double agent throughout the period of his work in Germany with US intelligence. (S)

Low Scale and Ideologically Biased (U)

"Progress of Munich Operations," 15 May 1947, HSC/OPS/53, FSRO-1796, (S), in DO Records, [redacted] Box 516, Folder 5, CIA ARC. (S)

[51]SC, AMZON to Chief, FBM, "Organization of Project UKELELE," 28 March 1947, HSC/OPS/35, FSRO-1547, (S), in DO Records, [redacted], Box 514, Folder 4, CIA ARC. See also . [redacted], "SLAVKO, Resident MGB Agent in Munich," 17 February 1947, MGH-826, MSC/RIR/429, (S), and . [redacted], "SLAVKO and the MGB," 28 March 1947, MGH-1100, MSC-445, (S), both in WASH-REG-INT-131, DO Records, .[redacted] Box 272, [no folder listed], CIA ARC. (S)

[52]Quotation cited in SC Munich, "CAPANEUS," 15 June 1947, (S), in "Trident Project." (S)

[53]English translation of Radio Kiev broadcast, "Broadcast for Ukrainians in the Emigration," 24 November 1960, in Myron Matvieyko, [redacted], DO Records. For further information on Matvieyko's defection, see Pavel Sudoplatov and Anatoli Sudoplatov, *Special Tasks: The Memories of an Unwanted Witness– A Soviet Spymaster* (Boston: Little, Brown and Company, 1994), pp. 257-259. (S)

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Matvieyko's illegal activities (including murder and counterfeiting) strained American willingness to work with the Ukrainians in Germany.[54] As early as the fall of 1946, the Office of Special Operations expressed its dissatisfaction with the OUN when it commented that Aradi's reports were slanted in favor of Hrinoich and Lebed, downplaying the role of other Ukrainian nationalists.[55] Headquarters told Security Control in Heidelberg that "the securing of information on activities of the various Ukrainian groups in the American Zone is a straight CIC job and we should get no more involved in it than we unfortunately already are."[56] (S)

By the spring of 1947, Headquarters personnel noted that "intelligence derived from such Ukrainian groups is [not] worth the time and effort which would necessarily have to be expended on such a project. Experience has shown that information derived from such organizations has been both low-grade and ideologically biased."[57] In another dispatch, Headquarters commented that "it has been impossible so far to elicit from our SB [Ukranian] contacts the names of any of their subsources—this in spite of repeated attempts to get such data from them. Time and again mention has been made by our Ukrainian sources of the existence of "bunkers," supposedly small intelligence cells, in the American Zone of Germany as well as Czechoslovakia." The report went on to say, "it is fully appreciated that it is often extremely difficult to check on the veracity of such

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[54]"Liquidation of Lt. Andrei Pechara," 3 June 1947, MGH-1399, (S), in "Trident Project." A description of other murders committed by Matvieyko and the SB/OUN is found in [redacted]. For description of Matvieyko's counterfeiting activities, see numerous reports in his 201 file. (S)

[55]SAINT to SAINT, AMZON, "Ukrainian Nationalist Movement," 24 October 1946, X-8565, (S), in DO Records, [redacted] Box 6, [no folder listed], CIA ARC. (S)

[56]SC, FBM to SC, AMZON, "Ukrainians in Germany," 23 January 1947, X-9223, (S), in DO Records, [redacted], Box 5, Folder 168, CIA ARC. (S)

[57]"CE Operational Progress Report No. 5," 17 February 1947, FSRO-1306, (S), in DO Records, [redacted], Box 513, [no folder listed], CIA ARC. (S)

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reports; on the other hand unless attempts are made to verify the existence of such groups, we will never be able to evaluate the quality of the intelligence reporting of the Ukrainians." OSO added that "it is seriously recommended that this contact be severed completely, although graciously."[58] (S)

Holtsman, in fact, dropped arrangements with the LYNX group in late 1946 and focused on more limited contacts under Operation TRIDENT. In doing so, SC Munich severed relations with Hrinioch (who had been Aradi's source) although it still maintained contact with Matvieyko. In the meantime, the OUN's ongoing internal dissension further tested American patience with the Ukrainians. The explosion came after a stormy meeting in Germany in August 1948 when the leaders of the ZPUHVR in Germany (principally Lebed and Hrinioch) broke with Bandera's OUN. The increasingly totalitarian attitude taken by Bandera and his resentment toward the Americans constituted the main reasons behind this break.[59] (S)

Hiding Bandera (U)

Despite the general instability of the Ukrainian emigre leaders and the dissolution of the Organization of Ukrainian Nationalists, American intelligence continued to protect the Ukrainians in exchange for information. In 1947, [redacted] brought Aradi's contact, Michael Korzan, from Austria to Munich to provide better insight into the activities of the

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[58]"Munich Detachment," 6 May 1947, (S) in "Trident Project." (S)

[59]The background of this conference and the dissension between the OUN and ZPUHVR and other Ukrainian groups is discussed in Chief of Station, Karlsruhe (signed by James Critchfield and [redacted] to Chief, FBM, "Project ICON: Postwar Ukrainian Exile Organizations in Western Europe," 20 October 1948, MGM-A-793, (S), in DO Records, [redacted], Box 1, Folder 5, CIA ARC. This report is hereafter cited as Project ICON/Ukraine Report. (S)

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OUN.[60] Several months earlier, the German Mission had sheltered Stefan Bandera from extradition to the Soviet Union. Since the end of the war, the USSR had demanded that the United States return all Soviet citizens suspected of war crimes and Nazi collaboration from the American zones in Austria and Germany.[61] The Ukrainians

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[60]SC, AMZON to FBM for SC Washington, "CAPELIN–New Agent of SC Munich," 3 June 1947, HSC/OPS/60, (S), in "Trident Project." SC Munich reported that "CAPELIN [Michael Korzan] was moved by us on 17 May 1947 from his former residence in Taxenbach, Austria (E96), and is now living at Gausstrasse 3, Munich. We are supplying him with a residence permit for Munich and the necessary food and identification cards." Korzan "is expected to give us better coverage than has been possible through CAPANEUS [Matvieyko] and CANAAN [Kamian Korduba] who have refused agent status, preferring instead to 'cooperate' with the Americans. Consistent with this attitude, the two have been withholding information from us when they judged it unfavorable to the Ukrainian cause." Korzan, a former member of OUN's SB in the Ukraine, came to Germany from Austria to take charge of Matvieyko's SB counterintelligence section. Korzan had already assisted American intelligence by identifying SLAVKO, the double agent in Project UKELELE; something that Matvieyko had refused to do. Information on Korzan was first reported in Aradi to [redacted], "Belladonna Agent," 14 December 1946, (S), in DO Records, [redacted], Box 168, Folder 5, CIA ARC. For an example of an OUN/SB semi-monthly report compiled from sources throughout Europe, see SAINT to SAINT, Bern. "DB-7/1 and Mme. Rudnika," 19 November 1946, X-8804, (S), in DO Records, [redacted], Box 6, Folder 125, CIA ARC. (S)

[61]It was common practice for the Soviet Military Administration to communicate to the American military governor lists of names and organizations that it sought. In June 1946, Marshal Sokolovsky wrote Gen. Joseph T. McNarney, commander of US Forces in the European Theater, to protest the presence of numerous Ukrainian groups "functioning in the American Zone of Occupation and engaged in open anti-Soviet propaganda and in spreading rumors aimed at underming the friendly relations existing between our two countries." McNarney wrote back in October stating that he had instituted tighter controls on newspapers published in the American zone by displaced persons, but adding that the "evidence of the organizations furnished by you cannot be substantiated by our investigations in all cases." McNarney added that "it now appears that some national committees, by working under UNRRA, believed that they had received some moral approval by the United States occupational authorities. However, this is not the case." McNarney remained "greatly concerned in fair treatment in this Zone to protect the interests of our esteemed allies. Measures are continually in effect for that purpose." See Marshal Sokolovsky to Gen. McNarney, 5 June 1946, R-496-A, and McNarney to Sokolovsky, 12 October 1946, in RG 260, OMGUS Records, The Records of the Executive Office, The Chief of Staff, Records Maintained for Military Governor Lucius D. Clay 1945-49, Box 19, [no folder listed], NARA. As another example of a similar Soviet request in 1949 and the American reply, see US Department of State, Office of Public Affairs, *Germany: 1947-1949 The Story in Documents* (Washington, DC: US Government Printing Office, 1950), pp. 124-127. (U)

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presented an unusual situation, as did other Eastern Europeans, such as the Latvians, Lithuanians, and Estonians. Many Ukrainians claimed to be Polish citizens, thus exempt from repatriation to the USSR (Poland controlled tracts of Ukraine). Likewise, the United States did not recognize the Soviet occupation of the Baltic nations in 1940, and these refugees refused to be classified as Soviet citizens or to be returned to their homelands as long as they remained under Soviet domination. (S)

A Soviet request for the repatriation of the Ukrainians came at the same time as Zsolt Aradi and Boleslav A. Holtsman were making their first contacts with the OUN and ZPUHVR. American authorities faced a predicament as to how to respond. On 15 October 1946, Colonel-General P.A. Kurochkin, the deputy commander of the Soviet Military Administration, wrote his counterpart, Lt. Gen. Lucius D. Clay, to request the arrest of Stefan Bandera as a war criminal. "For these crimes committed against the Russian people," the Soviet officer wrote, "he should be arrested and tried by a Military Tribunal, but this can only be done with your assistance because of the fact that he is now hiding in the American Zone of Occupation" Three days later, Gen. Clay responded that the Soviet request had been forwarded to Gen. McNarney, the commander of American forces in Germany, for further investigation.[62] (U)

A few days later, Henry D. Hecksher, Security Control chief in Heidelberg, advised Holtsman in Munich that he "should take special pains at steering a judicious middle course." Hecksher wanted Holtsman to "place yourself squarely on record with Bandera as greatly concerned as regards Bandera's security but equally unable to materially contribute to its preservation, because you had not been taken into the

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[62]Kurochkin to Clay, 15 October 1946, R-934-A, and Clay to Kurochkin, 18 October 1946, in RG 260, OMGUS Records, The Records of the Executive Office, The Chief of Staff, Records Maintained for Military Governor Lucius D. Clay 1945-49, Box 19, [no folder listed], NARA. (U)

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complete confidence of the UHVR."[63] By doing this, Hecksher hinted that Holtsman could blame Ukrainian reticence in the event of Bandera's arrest. "Tipping off Bandera, if this should be decided upon, would have to be done with utmost discretion obviating the remotest possibility that his escape is traced back to a US agency." Holtsman was told to use cutouts to advise the Ukrainians "taking into account, of course, that should any intimation of our connivance in Bandera's escape reach the ears of the UHVR, we could expect with certainty that the Soviets would learn about it sooner or later."[64] (S)

Clay soon replied to the deputy Soviet military governor, informing him that the US Army was doing what it could to locate Bandera. "US police agencies which were already alerted were directed to intensify the search for Stefan Bandera. He has not yet been apprehended and our initial efforts to date have proven fruitless." Clay assured his counterpart that, if located, Bandera would be turned over to the Russians via "the regular channels established by international agreement for the handling of war criminals."[65] (U)

Hecksher explained to Washington that "G-2 USFET is definitely loath to comply with the Soviet request to find Bandera and to repatriate him as a 'war criminal.'" Bandera's arrest would hurt American intelligence efforts to learn more about the Ukrainian resistance movement. "We are," Hecksher wrote, "definitely interested in cautiously cultivating our contacts with the UHVR if not along lines of active cooperation, then with at least the objective to keep ourselves informed of what its plans

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[63]AB-51 [Hecksher] to AB-43 [Holtsman], "Stefan Bandera," 28 October 1946, FSRO-656, (S) in Bandera, [redacted] DO Records. (S)

[64]Ibid. (S)

[65]Clay to Kurochkin, 31 October 1946, and Huebner to Clay, 28 October 1946, in RG 260, OMGUS Records, The Records of the Executive Office, The Chief of Staff, Records Maintained for Military Governor Lucius D. Clay 1945-49, Box 19, [no folder listed], NARA. (U)

are and to what extent it has succeeded in building up and servicing cells in the Ukraine."[66] Zsolt Aradi speculated that:

> There can be little doubt as to what would happen in case the American authorities should deliver Bandera to the Soviet. It would imply to the Ukrainians that we as an organization are unable to protect them, i.e., we have no authority. In such a case, there is not any reason or sense for them to cooperate with us.
>
> One of the reasons why full cooperation between the UHVR and our organization has not developed yet is the suspicion of these leaders that we will ultimately 'betray' them.
>
> From the very beginning they complained that Americans have no real interest in them and that Communist-penetrated USA officers will trade them to Russia. This belief was shared by both the Bandera people and the conservative Ukrainians.
>
> My personal feeling and conviction is that in case of Bandera's arrest, it would immediately put an end to operations Bella Donna and Lynx. (S)

Aradi concluded that "if it should be decided not to use these people and their organization for intelligence purposes, it would be better to arrest not only Bandera, but all the leaders whose names and whereabouts are known to us."[67] (S)

In the meantime, OSO officials at the German Mission headquarters in Heidelberg remained concerned about how to handle this crisis. Gordon M. Stewart, Intelligence Branch chief, told Richard Helms in early 1947 that he and his colleagues "wanted, on the one hand, to have the American authorities appear energetic in satisfying the demands of the Russians and, on the other, to have [Operation] BELLADONNA take on adequate

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[66]SC AMZON to SC Washington, "Search for Bandera, Leader of the OUN," 20 November 1946, FSRO-766, (S), and Attachment 1 (KILKENNY) in Bandera, [redacted], DO Records. (S)

[67]Ibid. (S)

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cover." In doing so, the Central Intelligence Group urged Maj. Gen. Withers A. Burress, USFET G-2, to delay his investigation until after 15 January 1947.[68] (S)

The additional time permitted Aradi "to inform his people that they must be under cover by 15 January, because the United States Government is going to accede to a legitimate request of the Russians that war criminals and conspirators be rounded up and delivered to them, even if they are not former Soviet citizens." Stewart added, "by taking cover we mean breaking off all contact with the overt political groups in the Ukrainian colony, changing names and cover documents and actually hiding until the political flap is over."[69] According to Stewart's communiqué to Helms in early 1947, "the result was less dramatic than we expected." The Soviets did not push further for Bandera's arrest and, Stewart wrote, "the Belladonnians fell into line very nicely."[70] (S)

Despite their role in sheltering Bandera, OSO officials in Washington's Foreign Branch M and Special Projects Division still took a dim view of Munich's work with the Ukrainians. This movement, Washington commented, "is, as the field agrees, **primarily** [original emphasis] a terrorist organization." Headquarters felt that intelligence produced by both LYNX and BELLADONNA had been minimal. In a fitting–and prophetic–statement, Washington told its field officers that:

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[68]Stewart to Helms, "Belladonna Operation," 2 January 1946 [47], FSRO-1111, (S), in DO Records, [redacted], Box 511, [no folder listed], CIA ARC. (S)

[69]Stewart to Lewis and Aradi, "Operation Belladonna," 10 December 1946, FSRO-1111, (S), in DO Records, [redacted], Box 511, [no folder listed], CIA ARC. (S)

[70] Stewart to Helms, "Belladonna Operation, 2 January 1946 [47], (S). CIC dubbed its role in hiding Bandera from the Soviets as Operation ANYFACE, named after a Dick Tracy character. No indication exists in the surviving records that CIG actually met with Bandera to warn him of the search. As an indication of how difficult it was to track Bandera down, American intelligence in Rome reported that the Ukrainian leader had escaped from the Ukraine and now lived in Czechoslovakia. The CIA reported this in October 1947 based on information provided by a Ukrainian named Federonczuk to the Counter Intelligence Corps. See [redacted] to Washington, "Liberty International," 10 October 1947, PIRA-1580, (S), in DO Records, [redacted], Box 296, [no folder listed], CIA ARC. (S)

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> The case of Bandera's extradition and our part in it brings to the fore the whole Ukrainian problem. If the *sine qua non* of Ukrainian cooperation is political, then we should cease all **direct contact** [original emphasis] immediately. We are not in a position to give it, and if we attempt to create the impression that we can, we can expect only bad results, for it will become obvious sooner or later that the protection we offer is extremely fragile as factors beyond our control are brought into play. If we accept the premise that political support is out, we must also face the fact that in the long run operations using the Ukrainians as an organized group will probably turn out to be worthless–simply because without political support the Ukrainian nationalist groups will be decimated by Soviet pressure and demoralization. It is therefore difficult to see the Bandera problem as really significant. The effects of Bandera's arrest will only be to precipitate an inevitable development.[71] (S)

The day after Harry Rositzke, the acting chief of Special Projects Division–Soviet (SPD-S), wrote this memo, he criticized OSO for failing to develop Soviet strategic "Lambda targets."[72] Rositzke, who later headed CIA's efforts to penetrate the Soviet Union, protested to Col. Donald H. Galloway, the Assistant Director for Special Operations, that OSO was overinvolved in tactical operations in Europe. He expressed concern about OSO's "hasty exploitation of sources of opportunity, especially anti-Soviet emigrés from the USSR and satellite countries, to the exclusion of actual penetration operations." Rositzke wanted to centralize American intelligence efforts against the Soviets and to reduce "OSO exploitation of such organized anti-Soviet groups as the

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[71]SC, FBM to SC, AMZON, "Munich Contacts," 9 January 1947, X-9126, (S), enclosing SPD-S, "AB-51 and Kilkenny's Views on the Effects of Bandera's Extradition," 7 January 1947, in DO Records, [redacted], Box 6, Folder 126, CIA ARC. A copy of this same document is found in DO Records, [redacted], Box 5, Folder 168, DO Records. (S)

[72]The term LAMBDA was used to designate "critically important reports" dealing with the Soviet Union. (S)

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Ukrainians, Georgians, and Balts for penetrating the USSR [which] involves dangerous security and political hazards."[73] (S)

As a part of a major reorganization of operations in Germany and the formation of the Munich Operations Base in mid-1947, Holtsman was told to reduce his work with the various émigré groups, especially the Ukrainians, and to concentrate on other targets. This led him to drop many of his Ukrainian contacts, with CIC, in turn, picking up both Ivan Hrinioch and Mykola Lebed as sources.[74] (S)

CIG officials in Washington advocated a gradual reduction in the American involvement with the Ukrainians during 1947 because of the inherent weaknesses of the OUN and the UHVR as well as the belief that these organizations were penetrated by Soviet intelligence. The fact that many of the Ukrainian leaders and organizations had worked with the Nazis was not regarded as a decisive factor. American interest in the Ukrainians lay dormant until the pressure of Cold War rivalry prompted another review. (C)

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[73]Rositzke to Col. Galloway, "Recommended Policy for Lambda Strategic Operations Program," 8 January 1947, (S), in DO Records, [redacted], Box 4, Folder 14, CIA ARC. (S)

[74]Region IV, 970th CIC Detachment, Lt. Col. Ellington D. Golden to Commanding Officer, 970th CIC Detachment, "Hrynioch, Ivan," 18 November 1947, (C), enclosing Special Agent Camille S. Hajdu, Memorandum for the Officer in Charge, "Hrynioch, Ivan," 17 November 1947, (C), in Ivan Hrynioch, Dossier XE-20-19-66, Investigative Records Repository, US Army Intelligence and Security Command, Fort George G. Meade, Maryland (hereafter cited by dossier number, IRR, INSCOM). (C)

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Chapter Six

Common Ground With New Partners (U)

From 1946 through 1948, American intelligence officials in Washington were ambivalent, if not wary, of establishing contact with Ukrainian emigres in Germany.[1] They regarded the exiled groups as splintered and vulnerable to Soviet penetration. At the same time, American intelligence officers at Headquarters realized that these groups had a record of employing terrorist measures and supporting the Nazis. The opportunistic nature of the Ukrainian groups called into question the extent to which the United States should become involved with the emigres. (S)

As the Cold War deepened, American rationalization for using these anticommunist groups underwent a subtle, but crucial transformation. After 1948, the Central Intelligence Agency moved to cooperate with the Ukrainians against the Soviets as opposed to merely collecting information on the emigre movements. This denoted a major shift from the approach that Headquarters took in 1946 and 1947. As a result of this new cooperation, the CIA launched its first attempts to penetrate the Iron Curtain.[2] The Ukrainians and other Eastern and Southern European emigre groups now became

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[1]Portions of this chapter appear in condensed form in Ruffner, "Cold War Allies: The Origins of CIA's Relationship with Ukrainian Nationalists," in [redacted], *Central Intelligence: Fifty Years of the CIA*, pp. 19-43. (S)

[2]Winston Churchill at Fulton College in Missouri said on 5 March 1946, "From Stettin in the Baltic to Trieste in the Adriatic an iron curtain has descended across the Continent." (U)

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linked to the CIA's own clandestine efforts against the Soviets during the Cold War. The development of such relationships eventually raised questions about American intelligence using men with unsavory backgrounds who had allied themselves with America's enemies only a few years previously. (S)

Terra Incognito (U)

Adm. Roscoe H. Hillenkoetter, the Director of Central Intelligence from 1947 to 1950, was reluctant to involve CIA with emigre groups in Europe despite pressure from other Federal agencies, including the Army and the Department of State. In early March 1948, Frank Wisner, a former OSS officer and a member of the State Department's Policy Planning Staff, proposed that the State-Army-Navy-Air Force Coordinating Committee (SANACC) form an ad hoc committee to explore the use of Soviet émigrés. The SANACC took up Wisner's proposal and circulated his paper, *Utilization of Refugees from the Soviet Union in U.S. National Interest* (SANACC 395), on 17 March 1948. Shortly afterwards, the ad hoc committee, composed of members from State, Army, CIA, and several other agencies, began exploring the paper's implications.[3] (U)

Wisner wanted SANACC 395 to "increase defections among the elite of the Soviet World and to utilize refugees from the Soviet World in the national interests of the US." Describing the history of the Russian anticommunist movement since the Bolshevik Revolution in 1917 and Russian collaboration with the Nazis in World War II, Wisner felt that the 700,000 Russians scattered in European DP camps and elsewhere

[3]State-Army-Navy-Air Force Coordinating Committee 395, *Utilization of Refugees from the Soviet Union in US National Interest*, 17 March 1948, located in Scholarly Resources, Inc., National Security Policy of the United States, LM-54, Roll 32, SWNCC Case Files Nos. 382-402 March 1947-June 1949, NARA. (U)

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around the world could provide the bulwark of a new anti-Soviet movement. The Russian émigrés, Wisner claimed, represented "the potential nucleus of possible Freedom Committees encouraging resistance movements into the Soviet World and providing contacts with an underground." According to Wisner, the United States remained "ill-equipped to engage in the political and psychological conflict with the Soviet World," and the "Soviet satellite areas like the USSR are tending to become a terra incognito." American ignorance of the Soviet Union in all fields and at all levels, he lamented, was profound and growing.[4] (U)

With SANACC's approval, Wisner planned to "remove present deterrents and establish inducements" to spur defectors among the Soviet elite. He also wanted to increase the utilization of these refugees "to fill the gaps in our current official intelligence, in public information, and in our politico-psychological operations." At the same time that the special group began to review SANACC 395, the State Department requested that CIA prepare a study in accordance with Paragraph 6 of the SANACC 395's recommendations and report its findings to the committee.[5] Navy Capt. Alan McCracken, CIA's Deputy Assistant Director of Special Operations (DADSO), served as the Agency's interim point of contact for SANACC 395. McCracken expressed great reservations about the overall value of Soviet defectors, and he rejected most of Wisner's proposals. A naval officer detailed to CIA, McCracken criticized the State Department for wanting to establish a "social science institute composed of refugee and American scholars for the purpose of doing basic research studies on the Soviet World." McCracken considered "this proposal nothing but expensive hot air" just as he rejected

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[4]Ibid. (U)

[5]W.A. Schulgen, Acting Secretary, SANACC, to Members, 18 March 1948, SANA-5983, LM-54, Roll 32, NARA. (U)

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bringing Russians to the United States. "I do not think **any** [original emphasis] 'social science scholars' will do us a particle of good–we have too damned many of this type of faker in the US already."[6] (C)

Capt. McCracken also noted that he had no "objection to making a study, but I cannot see that the refugee mass will be useful." He did, however, support thoroughly interrogating defectors, and believed that "OSO is in a position to furnish a certain amount of details on the capabilities of anti-Soviet refugees for intelligence purposes and can supply additional data on the many factors connected with the utilization of these groups and individuals for other than intelligence purposes."[7] (C)

Hillenkoetter's Response (U)

Adm. Hillenkoetter provided his own comments on SANACC 395 to the National Security Council on 19 April 1948. Responding to the problem statement "whether the mass of refugees from the Soviet world, now in free Europe and Asia can be effectively utilized to further US interests in the current struggle with the USSR," the DCI told the NSC:

> 1. During the past three years, CIA (and its predecessors) has systematically explored the potential intelligence value of the numerous anti-Communist and

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[6]DADSO, Alan R. McCracken, Memorandum to Chief, Interdepartmental Coordinating and Planning Staff (ICAPS), "Utilization of Soviet Refugees," 29 March 1948, (C), in DO Records, [redacted] Box 1, Folder 13, CIA ARC. This same document is also found in DO Records, [redacted], Box 1, Folder 10, CIA ARC. McCracken's memo was in response to a request for comments by [redacted], ICAPS chief and CIA's representative to the staff of the Executive Secretary of the National Security Council. See Chief, ICAPS, to ADSO, "Utilization of Refugees from the Soviet Union in US National Interest," 23 March 1948, ER-8618, (C), DO Records, [redacted], Box 1, Folder 13, CIA ARC. (C)

[7]Ibid. (C)

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anti-Soviet groups in Central and Eastern Europe. Contacts have been developed with the leading groups of the mass of Soviet émigrés, e.g., Ukrainians, Georgians, Balts and White Russians. Although these contacts were established primarily for purposes of procuring intelligence on Eastern Europe and the USSR, sufficient overall information on these groups has been inevitably gathered to permit a sound evaluation of their possible value to the US Government for the purpose of propaganda, sabotage and anti-Communist political activity.

2. On the basis of experience and careful analysis CIA has found the following characteristics in every group in the mass of Soviet émigrés.

a. These groups are highly unstable and undependable, split by personal rivalries and ideological differences, and primarily concerned with developing a secure position for themselves in the Western world.

b. They have been completely unable to provide intelligence of real value since they are rarely able to tap useful sources of information within the USSR, and generally concentrate on producing highly biased propaganda materials in place of objective intelligence.

c. They are almost exclusively interested in obtaining maximum support (usually from the US) for their own propaganda activities and insist upon the provision of substantial financial, communications, propaganda, movement and personal assistance in return for vague and unrealistic promises of future service.

d. They immediately capitalize upon any assistance which they receive to advertise the fact of official (US) support to their colleagues and to other governments in order to advance their own personal or organizational interests.

e. These groups are a primary target for Soviet MGB and satellite security agencies for purposes of political control, deception and counterespionage. CIA has sufficient evidence at this time to indicate that many of these groups have already been successfully penetrated by Soviet and satellite intelligence agencies. (S)

Hillenkoetter concluded, "the large mass of these people cannot be effectively used in time of peace." He added, "in the event of war, on the other hand, the possible value to the US Government of large numbers of Soviet émigrés would be great. The US Government would, in a war with the USSR, have a critical need for thousands of these

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émigrés as propaganda personnel, interrogation teams, and sabotage and espionage operations and administrative personnel."[8] (S)

Hillenkoetter recommended that "there will be no organized utilization by the US Government of large groups or the mass of Soviet emigres." He did, however, advise that the State Department screen all refugees from the Soviet orbit and prepare a master index of names, residences, and occupations. This screening, Hillenkoetter noted, "must include the object of isolating persons who are suitable for direct use in intelligence purposes, as distinct from merely furnishing miscellaneous information."[9] (S)

Project ICON (U)

As early as March 1948, Hillenkoetter told James Forrestal, the secretary of defense, that he preferred to recruit competent individuals within the Soviet Union or former Russian intelligence officers as agents.[10] Only days after Hillenkoetter made this statement, he assigned responsibility of investigating the operational utilization of emigre groups to the Office of Special Operations.[11](S)

As a result of SANACC 395, CIA undertook a study of the various émigré groups in Europe asking for American support to fight Communism. By mid-1948, Zsolt Aradi,

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[8]DCI to the Executive Secretary, National Security Council, "Utilization of the Mass of Soviet Refugees," 19 April 1948, ER-428, (S), in DO Records, [redacted], Box 498, Folder 9, CIA ARC. (S)

[9]Ibid. (S)

[10]DCI to Secretary of Defense, "Exploitation of Anti-Communist Underground Groups in Eastern Europe," 25 March 1948, OSO TS-658, (S), WASH-CIA-AD-75. This document has not been located and information cited here is derived from an index card in CIA History Staff files. (S)

[11]ADSO to Chief, Operations, "Possible Utilization of Soviet Refugees," 30 March 1948, (C), in DO Records, [redacted], Box 1, Folder 13, CIA ARC. This same document is found in DO Records, [redacted], Box 1, Folder 10, CIA ARC. (C)

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however, had departed Munich for the United States and [ ] had transferred to a new assignment in Berlin. A fresh CIA case officer, [ ] newly assigned to Munich, was assigned the job of assessing the Ukrainians and other Eastern European groups under Project ICON.[12] (S)

In his 9 April 1948 report, [ ] surveyed the existing network of underground groups in 12 Eastern and Southeastern European countries under Soviet domination. [ ] called for Project ICON to "support, by clandestine means, ...resistance and underground groups in Soviet-dominated Europe in their opposition to Communism." He looked at the current situation, noting that traditional political groups and underground resistance groups had all but been eradicated by the Soviets in Eastern Europe. The need for security and control was essential in order for Project ICON to achieve any measure of success. "Good security," [ ] wrote, "is therefore the first prerequisite to the utilization of any group. Individuals and leaders of groups selected to implement Plan ICON will be chosen on the basis of their previously demonstrated ability to conduct secure operations."[13] (S)

The project called for three phases leading to the employment of the resistance groups for "direct action" against the Soviets. The first or "initial" phase called for identifying those individuals and small groups that were already established. The

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[12] [ ] joined CIG in March 1947 after receiving a BA in German and Political Science at Yale University. An Army veteran of the Mediterranean Theater, [ ] served briefly in CIC in mid-1945 along the Austrian-German border. He served with OSO in Vienna, Heidelberg, and Munich from 1947 until 1950 when he returned to Washington. He later returned to West Germany and also served [ ]. He retired in 1970 at the age of 47 after cutbacks in the Deputy Directorate of Plans (DDP) reduced personnel strength. [ ]

[13] "Plan ICON" Report, 9 April 1948, OSOTS-743, (S), in DO Records, [ ], Box 5, Folder 88, CIA ARC. [ ] also discusses his work on Project ICON report in his 1996 memoirs and addendum. These documents are located at the CIA History Staff. (S)

"implementation" phase would encourage those same groups to oppose the communist regimes while inspiring the formation of new resistance organizations. Finally, the "ultimate" phase would use the "tested underground groups for direct action against Communist-dominated regimes, Communist Parties, and agencies of the USSR in Eastern Europe."[14] (S)

A Fresh Look at the Ukrainians (U)

After completing his initial survey, [redacted] embarked on a larger study to update Zsolt Aradi's earlier December 1946 report on the Ukrainian nationalists.[15] Drawing on the files of the Army Counter Intelligence Corps in Munich and CIA's own records, [redacted] evaluated the Bandera and Melnik factions of the OUN, the UHVR/ZPUHVR, and the Ukrainian National Republic (an older emigre group in western Europe) to determine which organizations met the following criteria:

a. The political platform and political or military leaders of the organization are demonstrably acceptable to a sizable section of anti-Soviet Ukrainians at home and in the emigration.

b. The political and ideological program of the group is one which the United States would not be embarrassed to support.

c. The group has the recognition or approval of some resistance leaders in the Ukraine and a communication channel to those leaders.

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[14]Ibid. (S)

[15]Chief of Station, Karlsruhe (signed by James Critchfield and [redacted] to Chief, FBM, "Project ICON: Postwar Ukrainian Exile Organizations in Western Europe," 20 October 1948, MGM-A-793, (S), in DO Records, [redacted] Box 1, Folder 5, CIA ARC. This report is hereafter cited as Project ICON/Ukraine Report. (S)

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d. The support of the groups by the United States could feasibly remain clandestine and work to the detriment of the present Russian government and its military potential.[16] (S)

To provide him with some firsthand accounts of the Ukrainian nationalist movement, [redacted] reestablished contact with Ivan Hrinoich in mid-1948. [redacted] held ten interviews with ZPUHVR's clerical first vice president and with Michael Korzan, an early member of the OUN and a member of the Austrian branch of the Anti-Bolshevik Bloc of Nations (ABN), for Project ICON.[17] Hrinioch, whom [redacted] had not contacted since 1947, had been picked up as a source by both CIC Special Agent Camille S. Hajdu and by the Military Intelligence Service (MIS), two different Army organizations in Munich.[18] Capt. Zoltan Havas of MIS, in the meantime, had already embarked on discussions with Hrinioch about expanding the ZPUHVR's courier networks between Germany and UPA operatives in the Ukraine.[19] Interestingly, Havas used Dr. Fritz Arlt, a former SS officer, as his cutout to Hrinoich.[20] (S)

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[16]Ibid., p. 2. (S)

[17]Ibid., p. 1; Dr. Hrinioch is cited directly in the report while Korzan is referred to as CAPELIN. (S)

[18]A description of [redacted] contact with Hrinioch is contained in COS, Karlsruhe to Chief, FBM, "Project ANDROGEN Memo No. 1: The Genesis through 20 January 1949," 16 March 1949, MGM-A-1023, (S), in DO Records, [redacted], Box 4, Folder 22, CIA ARC. This memo discusses how Hrinioch proved difficult to work with and explains the delays that the CIA experienced with ZPUHVR. See also Project ICON/Ukraine Report, pp. 19-21. (S)

[19]Special Agent Hajdu assumed control of Hrinoich immediately after [redacted] dropped him in 1947. By mid-1948, however, the Counter Intelligence Corps had reduced its contacts with Eastern European dissident groups in West Germany. By February 1949, CIC dropped the Ukrainian priest from its list of active informants. See COS, Karlsruhe to Chief, FBM, "Project ANDROGEN Memo No. 1: The Genesis through 20 January 1949," 16 March 1949, MGM-A-1023, (S), in DO Records, [redacted] Box 4, Folder 22, CIA ARC. Talks between Hrinoich and Capt. Havas, which started in August 1948, are discussed in Cable, Munich to SO, Karlsruhe, 13 January 1949, Munich 265, IN 21449, (S), in DO Records, [redacted] Box 4, Folder 23, CIA ARC. Ironically, [redacted] OSO's Executive Officer, told the Personnel Division in September 1947 that "it has been learned from the US Constabulary that Captain Havas (first name unknown) is being relieved from assignment and sent home. The Constabulary does not consider him qualified for intelligence activities, and, therefore, Heidelberg has

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Like Aradi two years earlier, [redacted] decidedly favored the ZPUHVR. He believed that the Foreign Representation had the support of both Ukrainians at home and in western Germany. According to [redacted] the ZPUHVR's leaders practiced good security measures, and they also "demonstrated that they are not interested in personal gain or profit." [redacted] was also impressed that "ZPUHVR has kept itself morally and politically uncommitted and uncompromised over a period of three years."[21] (S)

CIA Takes on the ZPUHVR (U)

[redacted] support for the ZPUHVR coincided with a new, and major, step in US intelligence efforts aimed at the Soviet Union. Unlike Aradi's and Holtsman's earlier

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informed this office that Havas's employment by us would create a poor impression." [redacted], Executive Officer, Special Operations, Memorandum to Chief, Personnel Division, "Captain Havas," 8 September 1947, (C), in DO Records, [redacted] Box 1, Folder 5, CIA ARC. For another report on Havas, see Cable, Heidelberg to Washington, 8 October 1947, Heidelberg 1867, IN 25139, (S), in DO Records, [redacted] Box 9, Folder 220, CIA ARC. Havas, born in Czechslovakia in 1920, came to the United States in 1937 and joined the US Army in 1942. He served in the Signal Corps and with Army intelligence following his commission as an officer in 1943. Havas commanded a MIS unit in Germany and worked closely with CIG and CIA in 1947 and 1949; both times, he was considered for employment. The Agency rejected his application in 1949 based on questions regarding his character, integrity, and political loyalty. The Army later released him in 1954 following allegations of black market activities. Havas worked for the *New York Times* in Paris where he was briefly in contact [redacted]. For further details, see Zoltan Havas, [redacted], DO Records. (S)

[20]Born in 1912, Fritz Arlt joined the Nazi party in 1932 and served in numerous positions before the war. He served briefly in the *Wehrmacht* in 1939 and later in the Waffen SS where he rose to the rank of *Obersturmbannfuhrer*. He reportedly handled liaison between the RSHA and Ukrainian and Vlasov Army representatives. After the war, Arlt worked as an informant for CIC and later served as a member of the Gehlen Organization. The US Army apparently maintained its contact with Arlt until the late 1960s, and his name came up in conjunction with the Heinz Felfe investigations of the KGB's penetration of the BND. For further details, see Fritz Arlt, [redacted], DO Records. (S)

[21]Project ICON/Austria Report, pp. 14-15. (S)

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efforts, which met only halfhearted approval in Washington, CIA headquarters now eagerly sought to work with the Ukrainians in Munich. Richard Helms, chief of Foreign Branch M, cabled Munich on 3 December 1948 to ask Hrinoich and ZPUHVR if the Ukrainians could provide volunteers for courier missions under American control. The CIA now wanted to work with the Ukrainians against the Soviets, as opposed to merely collecting information on the émigré groups. "Best approach these groups . . .," Helms advised, "probably stating our aim as rendering assistance [to] dissidents rather than purely intelligence purposes."[22] (S)

Following Helms's directive, [redacted] convinced both Hrinioch and Mykola Lebed in January 1949 that the United States now planned to cooperate with the ZPUHVR to send couriers (the so-called APOSTLES) to the Ukraine. By early February, [redacted] cabled Washington with the news that "our relations with ZPUHVR have greatly accelerated at our initiative. Both Havas and CAPARISON [Hrinoich] agree to turn complete operational allegiance of ZPUHVR over to MOB [Munich Operations Base]." [redacted] also informed Headquarters about Ukrainian requests for support and other details concerning the commencement of operations.[23] (S)

[redacted] gathered as much information as he could about the ZPUHVR's periodic, but generally unsuccessful, courier missions that had attracted some open press reporting since 1946.[24] By late March 1949, [redacted] submitted a developmental plan for Project

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[22]Cable, SO to Munich, Karlsruhe, 3 December 1948, Washington 5815, OUT 72439, (S), in DO Records, [redacted], Box 4, Folder 23, CIA ARC. (S)

[23]Cable, Munich to SO, Karlsruhe, 2 February 1949, Munich 292, IN 22867, (S), in DO Records, [redacted], DO Records, CIA ARC. (S)

[24]A report concerning the arrival of the Apostles is found in COS, Karlsruhe to Chief, FBM, "Project ANDROGEN Memo No. 2: How the APOSTLES Came to Germany," 16 March 1949, MGM-A-1024, (S), in DO Records, [redacted], Box 4, Folder 22, CIA ARC. See also Acting Chief, MOB to Chief, FBM, "Personal Record of APOSTLES 1 and 2 (Ops)," 3 May 1949, MGM-A-1136, (S), in DO Records, [redacted], Box 1, Folder 5, CIA ARC. (S)

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ANDROGEN that called for the "accumulation of information on the status of the Ukrainian underground movement for use as a frame of reference in ascertaining the various ways in which the existence of this movement could have bearing on the course of an open conflict between the United States and the USSR." The American case officer noted that the ZPUHVR activities were not only illegal under US military government regulations, but that its key figures also had no legal status in Germany. [redacted] wrote, "if the courier operation fails and the personnel is simply dropped, no disposal costs are envisaged." He added, however, that the "evacuation of CAPARISON [Hrinoich], ANTLER [Lebed], and ACROBAT [Lopatinsky] and their four dependents from Western Germany may be deemed advisable at a later date whether the initial attempt to develop this project as a whole is successful or not."[25] (S)

[redacted] agreed that CIA's base in Munich would provide a number of services for the Ukrainians, including housing and training for the APOSTLES. The Agency likewise would replace the funds previously confiscated by the German border police from the Ukrainian couriers when they entered the country. Perhaps most importantly, [redacted] agreed that "our organization will endeavor to shorten the distance to be traversed on foot by the APOSTLES between Munich and their destination."[26] After reviewing previous missions (only one courier had arrived in Ukraine from Germany since 1946), [redacted]

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[25]COS, Karlsruhe to Chief, FBM, "ANDROGEN Project," 31 March 1949, MGM-A-1059, (S), in DO Records, [redacted] Box 4, Folder 22, CIA ARC. Approval of this project with stipulations by headquarters is found in Chief, FBM to Chief of Station, Karlsruhe "Project ANDROGEN," 25 April 1949, MGK-W-1952, (S), in DO Records, [redacted] Box 4, Folder 22, CIA ARC. (S)

[26]Ibid. (S)

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admitted, "transporting the APOSTLES and several radios by air to be dropped by parachute offers the only solution with good possibilities of success."[27] (S)

In the first of many demands, the ZPUHVR wanted the CIA to publicize its resistance efforts as well as to permit several of its leaders, including Hrinoich and Lebed, to address Ukrainian groups in the United States and Canada. The Ukrainian organization even asked that CIA assist the ZPUHVR to promote its activities outside of Germany.[28] (S)

Foreign Branch M's Richard Helms and Harry Rositzke, chief of Foreign Branch S, submitted a proposal to Col. Robert A. Schow, the new Assistant Director for Special Operations, on 26 July 1949 seeking approval to exploit the Ukrainian resistance movement within the Soviet Union. Schow approved the project the same day.[29] At the same time, the Ukrainian project was redesignated as Project CARTEL (it had been known as ANDROGEN), utilizing the same personnel. In addition to providing radio and cipher training to the Ukrainians, unmarked American aircraft would transport the

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[27]COS Karlsruhe to Chief, FBM, "Project ANDROGEN Memo No. 1: The Genesis through 20 January 1949," 16 March 1949, MGM-A-1023, (S), in DO Records, [redacted], Box 4, Folder 22, CIA ARC. Donald G. Huefner at FBM in Washington complimented [redacted] and said that "your progress report on Project ANDROGEN is regarded here as excellent and exactly the type of report we like to receive on such operations. Prior to the receipt of this memorandum communications on this project have been almost entirely confined to cable traffic, and although we have been informed of developments as they occurred, cables do not indicate the time and effort in such negotiations." Huefner also noted the difficulties in working with ZPUHVR and said, "it is obvious that in order to obtain the maximum amount of cooperation from such groups as the UHVR and to minimize the delays such as encountered in your dealings with CAPARISON, we must be prepared to grant assistance to them which is not primarily associated with intelligence." Chief, FBM to COS, Karlsruhe, "Project ANDROGEN," 11 April 1949, MGK-W-1879, (S), in DO Records, [redacted], Box 4, Folder 22, CIA ARC. (S)

[28]Ibid. (S)

[29]Chief, FBM and Chief, FBS to ADSO via COPS, "Proposed Air Dispatch of Androgen Agents into the USSR," 26 July 1949, (S), in DO Records, [redacted], Box 4, Folder 22, CIA ARC. (S)

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Ukrainians and their equipment. The American case officer, known simply as "Mister H" to the Ukrainians, also provided funds to the bankrupt ZPUHVR.[30] (S)

Black Missions (U)

The first CIA-sponsored airdrop into the USSR took place in September 1949 when two Ukrainians landed near Lvov. This mission, coordinated and handled by [redacted], sought to establish contact with the UHVR/UPA in the Ukraine.[31] While this mission failed because the Soviets quickly rounded up the agents, [redacted]'s operation sparked considerable interest at Headquarters. The Agency moved to expand its exploitation of the ZPUHVR as well as with other émigré groups in Germany.[32] By 1950, the CIA engaged in joint talks with the British to launch operations into Ukraine;

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[30]COS, Karlsruhe to Chief, FBM, "CARTEL," 24 June 1949, MGM-A-1312, (S), in DO Records, [redacted], Box 4, Folder 22, CIA ARC. (S)

[31]Chief of Station, Karlsruhe (signed by [redacted] to Chief, FBM, "Project CARTEL: Operational Memorandum No. 8. A Synopsis of the HIDER-CARTEL Plane Flight," 16 September 1949, MGM-A-1584, (S), in DO Records, [redacted], Box 4, Folder 22, CIA ARC. Headquarters response to [redacted] report is found in Chief, FDM to Chief of Station, "CARTEL Project," 10 October 1949, MGK-W-3164, (S), in DO Records, [redacted] Box 4, Folder 22, CIA ARC. The various CIA-Ukrainian missions are covered extensively in [redacted]

[32]The growth in CIA's interest in Ukrainian operations can be seen in the following documents: Schow to Wisner, "Exploitation of Ukrainian Nationalist Resistance Organization," 22 December 1949, (S), in DO Records, [redacted], Box 4, Folder 22, CIA ARC; J. Bryan III to Chief, Programs and Planning Division, OPC, "Use of Ukrainian Partisan Partisan [sic] Movement Against USSR," 25 January 1950, (S); undated, signed, "Agreement for Joint OSO/OPC Exploitation of ZPUHVR/UHVR;" undated, unsigned, "Memorandum of Understanding between OPC and OSO Concerning the Joint Exploitation of the Foreign Representation of the Ukrainian Supreme Council of Liberation (ZPUHVR) and the Supreme Council (UHVR);" Project Outline Clearance Sheet, AERODYNAMIC-PBCRUET, 15 December 1950; and "Summary Joint OSO/OPC Report on the Ukrainian Resistance Movement, 12 December 1950" with cover sheet, Schow and Wisner to DCI, "Joint OSO/OPC Report on the Ukrainian Resistance Movement, 4

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the Americans, however, continued to support the ZPUHVR while the British promoted Bandera's OUN.[33] (S)

The Ukrainian airdrops also formed the basis for expanded CIA illegal border crossings into the Soviet Union by Foreign Division S, which assumed responsibility for all OSO operations behind the Iron Curtain in February 1950. The bulk of these missions were launched from Munich in a project called REDSOX. These operations took agents to Belorussia, Latvia, Lithuania, Ukraine, and other areas of the Soviet Union. But it was a project marked by tragedy. According to one CIA official in 1957, "the path of experience in attempts at the legalization of black infiltrated bodies into the USSR has been strewn with disaster." At least 75 percent of the 85 CIA agents dispatched under REDSOX disappeared from sight and failed in their missions. A survey of these agents reveals that most of these men had recently deserted from the Soviet Army or had collaborated with the Nazis during the war.[34] (S)

January 1951, all documents located in DO Records, [redacted] Box 1, Folder 1, CIA ARC. (S)

[33]For an example of US-British discussions and agreements about Ukrainian operations, see Wyman to Deputy Director, Plans, "Ukrainian Position Paper," 23 April 1951, (S); Chief, [redacted] to Chief, FDW, "CIA/State Department Talks with SIS/Foreign Office in London Beginning Monday, April 23, 1951," 4 May 1951, WELA-5084, (S), both documents in DO Records, [redacted] Box 1, Folder 1, CIA ARC. Further accounts of the Anglo-American talks about support for Ukrainian and other Eastern European groups are found in [redacted]

[34]For a more complete history of CIA's REDSOX operations, [redacted] Clandestine Service Historical Series [redacted]. For another perspective, see "Survey of Illegal Border Operations into Czechoslovakia and Poland from 1948 through 1955," (S), in DO Records, [redacted], Box 1, Folder 2, CIA ARC. For "open source" discussions of CIA operations behind the Iron Curtain, see Peer de Silva, *Sub Rosa: The CIA and the Uses of Intelligence* (New York: Times Books,

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Going to America (U)

After 1953, the CIA no longer supported aerial missions into the Ukraine, but the Agency's operational relationship with the Ukrainians remained not only the first such activity, but one of its most resilient. Even before the missions were abandoned, the Agency brought Mykola Lebed to the United States in 1949 where he became the president of the Prologue Research Corporation, a CIA proprietary company, three years later. Prologue (supported by the Agency in a number of projects called AERODYNAMIC, QRDYNAMIC, and QRPLUMB) was a Ukrainian publishing and distribution corporation with affiliates in Munich, London, and Paris. It published *Suchanist,* a Ukrainian-language monthly political-literary magazine, and other material for dissemination in Ukraine.[35] The Agency regarded this activity as one of its best projects with the emigres and it took on a larger role as the CIA abandoned efforts to infiltrate agents into the Ukraine. The costs were relatively minor ([redacted] in 1967) and

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1978), pp. 55-57; John Prados, *Presidents' Secret Wars: CIA and Pentagon Covert Operations Since World War II* (New York: William Morrow, 1986), pp. 30-60; and Harry Rositzke, *The CIA's Secret Operations: Espionage, Counterespionage, and Covert Action* (New York: Reader's Digest Press, 1977), pp. 18-38. (S)

[35]Chief, Political and Psychological Staff, [redacted], to Deputy Director for Operations, "Potential Threat of Exposure to Major Covert Action Instrumentality," with attachment, "Approval-FY-86 Operational Activity-QRPLUMB," 5 December 1985, (S), in Lebed, [redacted] DO Records. (S)

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the Agency continued to support it until September 1990 when it ended "after 38 years of successful CA operations."[36] (S)

When he submitted his proposal for Project ANDROGEN in March 1949, [redacted] envisioned the possibility that the United States might have to evacuate the chief Ukrainian operators from Munich.[37] Only two months later, Lebed (using the alias of Roman Turan) with his wife and daughter began processing for immigration to the United States under the provisions of the 1948 Displaced Persons Act. Munich told Washington in a cable on 18 May that "subject's face and true name are well known in Germany, Poland and Western Russia as result of widely advertised police and [Russian] I.S. search for subject in those lands." Because of his blown cover in Europe, his poverty (Lebed relied upon a "ZPUHVR monthly handout"), and the fact that his presence in Germany

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[36]Lebed served as president of Prologue from 1952 until his retirement in 1979. He then remained as a part-time consultant for the organization. [redacted], Memorandum for the Record, "Justice Department's Interest in QRPLUMB/2," 31 October 1991, (S). The cost of CIA support is found in Chief, SB to CIA Legislative Counsel, 11 April 1967, (S), both documents in Lebed, [redacted], DO Records. (S)

[37]COS, Karlsruhe to Chief, FBM, "Androgen Project," 31 March 1949, MGM-A-1059, (S), in DO Records, [redacted]., Box 4, Folder 22, CIA ARC. Special Agent Hajdu had already arranged for the US Army's secret airlift of Lebed and his family from Rome to Munich in December 1947 because of threats to Lebed's life by the Soviets. Hrinoich had also asked that Lebed join him in Munich. For more details on Lebed's move to Germany, see Region IV, 970th CIC Detachment, Lt. Col. Ellington D. Golden to Commanding Officer, 970th CIC Detachment, "Lebed, Nikolaus and Family," 18 November 1947, (C), enclosing Special Agent Camille S. Hajdu, Memorandum for the Officer in Charge, "Lebed, Nikolaus and Family," 17 November 1947, (C); Headquarters, 970th CIC Detachment, Maj. Earl A. Browning, Jr., to Commanding Officer, Region IV, 970th CIC Detachment, "Lebed, Nikolaus and Family," 24 November 1947, (U); and Region IV, 970th CIC Detachment, Lt. Col. Golden to Commanding Officer, 970th CIC Detachment, "Move of Nikolas Lebed and Family from Rome, Italy to Munich, US Zone of Germany," 18 December 1947, (C), enclosing Hajdu, Memorandum for the Officer in Charge, "Move of Nikolas Lebed and Family from Rome, Italy to Munich, US Zone of Germany," 18

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was not essential to the airdrop mission, Munich base recommended that he move to the United States under an alias. "Subject does not dare use true name for immigration purpose [because he] has had to go into complete hiding several times in Germany because of threats on life."[38] (S)

Even at this point, knowingly using a false identity during immigration posed legal issues for the Agency and Lebed himself. "Subject loath to perjure self and face deportation after arrival as result of passing false info to the US Govt. and therefore wants our sanction for his immigration under alias," [redacted] told his superiors. The Agency in Munich did not anticipate any problems with the background checks being done by the Army's Counter Intelligence Corps in Bavaria, but it was concerned about immigration officials in the United States.[39] Headquarters, in the meantime, wanted complete personal details on Lebed, but allowed the Ukrainian's immigration to proceed.[40] (S)

Shortly after Munich's initial cable to Washington, Navy Capt. Clarence L. Winecoff, newly appointed CIA Executive, wrote Mr. W.W. Wiggins, CIA's point of contact at the Immigration and Naturalization Service, in June 1949 to inform him about

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December 1947, (C). All documents are found in Mykola Lebed, Dossier C 8043982WJ, IRR, INSCOM. (C)

[38]Cable, FBM to SO, 18 May 1949, Munich 472, IN 32012, (S), in DO Records, [redacted] Box 4, Folder 23, CIA ARC. For a discussion on the threats to Lebed's life and why the Army moved him from Italy to Germany, see [redacted], *The Early Cold War in Soviet West Ukraine, 1944-1948*, pp. 54-55. (S)

[39]Ibid. The CIC in Germany conducted an investigation of "Roman Turan" prior to Lebed's immigration to the US as a displaced person. Results of this investigation are found in Lebed, Dossier C 8043982WJ, IRR, INSCOM. (C)

[40]Cable, SO to FBM, 26 May 1949, Washington 4214, OUT 82118, (S), 26 May 1949, in DO Records, [redacted], Box 4, Folder 23, CIA ARC. (S)

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the Agency's plans for the Ukrainian resistance leader. Winecoff, in turn, told the INS that Lebed, using the name of Roman Turan, had submitted paperwork for his departure from Germany.[41] Winecoff advised that, "for some time, one Mykola Lebed has been rendering valuable assistance to this Agency in Europe." He added, "the reasons for using the name Turan are substantial." Repeating much of the same information as in the Munich cable, Winecoff admitted that Lebed "possesses rather extensive knowledge of certain CIA operations and is familiar with certain groups with which we are in contact. Consequently, for his own personal safety and for the security of our operations, it is essential that he not be picked up [by] any police authorities." In the margin of the document, Winecoff added that since Lebed had already been using the alias "prior to entry, his entry under that name would be legal."[42] (S)

The Immigration and Naturalization Service agreed to the CIA's request in July and Headquarters told the German Station that "full info on CARTEL 2 given immigration authorities here and no objection their part to use alias." Headquarters also stated that Lebed should maintain his cover story and that "our action best protection [against] fraudulent entry charge and no difficulty anticipated on resumption [of] true identity upon CARTEL 2 entry [into the] States."[43] On 16 September, Munich notified Washington that Lebed had completed his immigration processing under his alias. Lebed

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[41] In addition to his alias of Roman Turan, Lebed also had CIA cryptonyms of ANTLER, CAPARISON 2, and CARTEL 2 during this same time period. (S)

[42] Winecoff to Wiggins, 20 June 1949, (S), in Lebed, ⊏ ⊐, DO Records. (S)

[43] Cable, SO to Munich, 19 July 1949, Washington 6898, OUT 85455, (S), in DO Records, ⊏ ⊐, Box 4, Folder 23, CIA ARC. (S)

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expressed his desire to remain in touch with the Agency upon his arrival at his uncle's residence in Brooklyn.[44] Lebed sailed from Bremerhaven on the USS *General Howze*, a DP transport ship, on 25 September and arrived in New York in early October.[45] (S)

No Better Than OUN Leader Stephen Bandera (U)

After settling in New York, Lebed maintained a low profile but resumed the use of his real name. The Agency quickly reestablished ties with Lebed and conducted extensive debriefings about Ukrainian resistance activities and the relationships between the UHVR and the different Ukrainian émigré groups, particularly Bandera's OUN.[46] At the end of November 1949, Helms asked the Office of General Counsel to check with US immigration officials about Lebed's entry status and to make sure that he could use his own name.[47] The INS rejected Lebed's petition for permanent residence, and he was informed that he needed to obtain legal counsel in order to revert to his real name. The

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[44]Cable, Munich to SO, 16 September 1949, Munich 723, IN 43248, (S), in DO Records, [redacted], Box 4, Folder 23, CIA ARC. (S)

[45]Cable, SO to Munich, 29 September 1949, Washington 8879, OUT 90422, (S), and Cable, Munich to SO, 30 September 1949, Munich 751, IN 44572, (S), in DO Records, [redacted] CIA ARC. (S)

[46]Cable, SO to Munich, 29 September 1949, Washington 8879, OUT 90422, (S); Cable, Munich to SO, 7 October 1949, Munich 764, IN 45355, (S); Cable, SO to Munich, 7 November 1949, Washington 3146, OUT 92994, (S), all in DO Records, [redacted], Box 4, Folder 23. See also [redacted] to Chief, FBM, "CARTEL 2 Debriefing Report, 16 December 1949, (S), and Chief, FDM to COS, Karlsruhe, "Transmittal of CARTEL 2 Debriefing Report," 23 December 1949, MGK-W-3676, (S), in DO Records, [redacted], Box 1, Folder 1, CIA ARC. (S)

[47]Chief, FDM to Office of the General Counsel, "Mikola Lebed @ Roman Turan," 23 November 1949, (S), in Lebed, [redacted], DO Records. (S)

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Central Intelligence Agency subsequently asked the INS at the end of January 1950 to "take such action as may be deemed appropriate in order that subject can file his first papers under his true name."[48] (S)

Lebed's arrival in New York did not go unnoticed within the large Ukrainian émigré community. He founded the Association of Friends of the Ukrainian Liberation Struggle, but soon encountered jealousies in New York. In November 1950, a Peter Jablon (also known as Peter Jary) told the FBI that he considered Lebed a "bandit" who had committed many assassinations. Lebed, in Jablon's words, was "no better than OUN leader Stephen Bandera." A New York-based special agent from the FBI subsequently interviewed Lebed about these allegations in early 1951. Lebed acknowledged that he had been active in Ukrainian groups in America and that he was currently working on a book about the Ukrainian resistance movement. Lebed held up his anticommunist credentials at the same time as he proclaimed Jablon as a "strange man" with numerous personality inconsistencies.[49] (S)

Word that Lebed's arrival in America did not sit well among various immigrant factions in New York filtered back to the Washington bureaucracy. In 1951, the Agency undertook a research project to ascertain Lebed's role in the 1934 assassination of Bronislaw Pieracki, the Polish Minister of Interior. Because of his murder conviction in Poland, Lebed now faced deportation from the United States. On 1 June 1951, ⊏ ⊐

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48 ⊏ ⊐, Acting Executive, to Wiggins, "Mikola Lebed," 31 January 1950, SA-7320118, (S), in Lebed, ⊏ ⊐ DO Records. (S)

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[redacted], acting chief of Foreign Division S, told CIA's Staff C that the FBI had just notified him that the INS "is contemplating initiating an investigation looking toward developing sufficient evidence to institute deportation proceedings." [redacted] objected to this action:

> ...since the subject is known to us for his liberal and democratic political views and for his work as the legitimate Foreign Minister of the clandestine anti-Soviet government in the Ukraine, it is the opinion of FDS that no just grounds exist for his deportation which would outweigh the serious political repercussions subsequent to his deportation among the anti-Soviet emigration all over the world.[50] (S)

The Immigration and Naturalization Service soon informed the CIA about the case it planned against Lebed. The charges, as stated in 1951, remain controversial today and merit full citation:

> For over a year several Ukrainian informants have mentioned the presence in this country of one MYKOLA LEBED. They all believed he had arrived here as a Displaced Person under an assumed name, and since his arrival, has been very active in Ukrainian Nationalistic activities, speaking on numerous occasions in different cities in the Eastern part of the United States. Lebed was well known in Ukrainian circles in Europe for years as one of the most important Bandera terrorists. He is known as one of the group of Bandera men that assassinated Bronislaw Pieracki, the Polish Minister of Interior during 1934. Lebed and his associates were tried and sentenced to death in January, 1936. However, it is believed that the death sentence was later commuted to a prison term. Lebed was in jail in Poland until the Germans overran that country, when he was either

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[49]FBI Report, "Mikola Lebed," 2 February 1951, NY File No. 105-1504, (S), in Lebed, [redacted] DO Records. (S)

[50]Acting Chief, FDS to STC, "Mykola Lebed," 1 June 1951, (S) in Lebed, [redacted] DO Records. (S)

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> released or escaped from jail in the confusion of a German air raid. Lebed then rejoined the Bandera group and began working for the Germans in organizing Ukrainian groups to aid the Germans in fighting the Russians. These Ukrainian groups are reported as having been trained in a Gestapo school later furnished with arms and equipment and worked with German Storm Troopers, suppressing local resistance, to the Germans, following the withdrawal of the Russian Army. Wholesale murders of Ukrainians, Polish and Jews usually took place. In all these actions, Lebed was one of the most important leaders. During the German occupation of Ukraine, Lebed and his terroristic group were known as 'Special Defense Service.' Their activities were directed by the Gestapo.[51] (S)

Four months later, Col. Sheffield Edwards, CIA's Security Officer, told Mr. Wiggins at the INS that "we are not in possession of any information indicating that he [Lebed] is engaged in any activities prejudicial to the interests of the United States." Based on Lebed's own accounts, Col. Edwards rejected allegations that Lebed participated in the Pieracki assassination. The Agency even reviewed contemporary Polish newspaper accounts of the trial at the New York Public Library and concluded that the 1935-36 trial had been tainted for political reasons. Likewise, it also discounted the labeling of the OUN as "terrorist" because this designation had been employed by the Soviets as well as other groups with an anti-OUN bent. Similarly, CIA believed that many of the sources of the allegations against Lebed were "questionable and probably biased."[52] (S)

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[51] Acting Assistant Commissioner, Enforcement Division, Immigration and Naturalization Service, James E. Riley to the DCI, 7 June 1951, SA-7320118, (S), in Lebed, [redacted] DO Records. (S)

[52] Sheffield Edwards to the Commissioner of Immigration and Naturalization, ATTN: W.W. Wiggins, "Mykola Lebed, aka: Roman Turan," 3 October 1951, JL-668, (S), in Lebed, [redacted] DO Records. **Report on the Assassination of Minister Pieracki** with information on the 1935-36 trial of OUN conspirators (including Bandera and Lebed) derived from the Polish newspaper *Kurier Warszawski* is found in Lebed [redacted], DO Records. (S)

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As far as Lebed's wartime activities were concerned, the Agency believed that the Ukrainian Insurgent Army had "fought with equal zeal against both the Nazis and the Bolsheviks." The CIA also cited a warrant issued by the Gestapo in October 1941 for Lebed's arrest as proof of his anti-Nazi activities. The Agency argued that Lebed's role as Foreign Minister of the Ukrainian Supreme Council of Liberation, an organization founded in 1944, placed him in an "influential position to render unique service to the United States and to this Agency in the furtherance of its intelligence mission."[53] (S)

Despite these assurances, the Immigration and Naturalization Service remained doubtful about the Ukrainian. While the Service held no deportation hearings in 1951, the Agency fretted that the INS might refuse to allow Lebed to reenter the United States in the event that he traveled overseas for operational purposes. Lebed had already returned once to Germany in 1950 for a short visit and planned to do so again in the near future.[54] To preclude any problems concerning his status in the United States, CIA again examined Lebed's past.[55] (S)

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[53]Ibid. (S)

[54]An Affidavit of Identity in lieu of a passport, issued in Washington, D.C., on 17 April 1950 and a pass for the Western Zone is included in Lebed, ⊂ ⊃, DO Records. (S)

[55]ADPC to DCI, "Mykola Lebed," 28 March 1952, with attachments, (S) in Lebed, ⊂ ⊃ DO Records. A copy of the 8 April 1952 Questionnaire with Lebed's 18 May 1952 answers is located in Lebed, ⊂ ⊃, DO Records. This document does not appear to have been translated from Ukrainian to English until 22 January 1986. The English-version translation is also located in Lebed's records. The depth of this 1952 background investigation appears shallow as most of the phrases employed by CIA officials to defend Lebed against the INS were simply adopted from previous CIA correspondence about him. For another report about Lebed, see Chief, Contact Division, O/O to ADSO, "Information Concerning Anti-Soviet Ukrainian Resistance," 13 March 1951, (S), in Lebed, ⊂ ⊃, DO Records. (S)

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Inestimable Value (U)

The CIA concluded that Lebed's activities on the behalf of American intelligence were of such "inestimable value" that the Agency could ill afford to lose him as an asset. Allen W. Dulles, then the Deputy Director of Central Intelligence, told the Commissioner of Immigration and Naturalization on 5 May 1952 that the Agency planned to sponsor Lebed in the United States under Section 8 of the CIA Act of 1949. This act, discussed later in greater detail, permitted the DCI, with the approval of the INS Commissioner and the US Attorney General, to admit up to 100 aliens per year for national security reasons regardless of their eligibility under normal immigration regulations. Dulles furthermore requested that Lebed's entry date under Section 8 be made retroactive to his initial arrival in the fall of 1949.[56] (S)

Through the use of this act, the CIA prevented Lebed's deportation. Tireless in his efforts on behalf of Ukrainian nationalism, Lebed remained one of the Agency's oldest contacts until his death in 1998.[57] The CIA's actions in 1949 and again in 1952,

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[56]DDCI to Argyle R. Mackey, Commissioner for Immigration and Naturalization, "Mykola Lebed," 5 May 1952, (S), in Lebed, [redacted] DO Records. (S)

[57]A 1957 Request for Investigation and Approval shows that Lebed, as a covert associate for Project AERODYNAMIC, performed the following tasks: "Principal agent in CIA exploitation of AECASSOWARY 1 [this refers to Hrinoich]; for CE, PP, and FI purposes. To be used in the United States, Western Europe, Latin America, and any areas where agent's emigre group can be profitably exploited. Activities include: Newspaper support; clandestine radio; leaflet campaign; poison pen letters; sending of letters and printed matter to the Soviet Union; recruitment, training dispatch, and interrogation of agent playback operations against the Soviets; doubling of

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however, have not stilled nagging suspicions about Lebed, and he remains a controversial figure to this day.[58] (S)

A Curious Anomaly (U)

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couriers; preparation, receipt, and sending of messages via S/W and W/T to and from the USSR." See Request for Investigation and Approval, 21 June 1957, (S), in Lebed, [redacted], DO Records. As a part of this investigation, Lebed underwent polygraph testing. The examiner noted that Lebed refused to undergo testing in April 1951 but consented six years later. He found Lebed "to be frank and truthful in his statements and did not seem to be hiding or attempting to give misinformation on any specific question asked." Lebed, however, "appeared to more concerned about his past association with the incident of the assassination of the Polish Minister than his work and the alleged collaboration with the Nazis during World War II." The examiner believed that Lebed told "the truth, but that he still has some pertinent information which may be obtained by further debriefing." Interrogation Research Branch to Chief, Security Support Division, "S.F. #40828," 13 April 1957, (S), in Lebed, [redacted], DO Records. (S)

[58]Lebed was one of 12 individuals investigated by the General Accounting Office in its 1985 Report (listed as "Subject D"). This report and the Lebed's subsequent identification drew media attention, including the *Village Voice* and *The New York Times*. For an example of this coverage, see Ralph Blumenthal, "CIA Accused of Aid to '30's Terrorist," *The New York Times*, 5 February 1986, p. B-5. In October 1991, the Office of Special Investigations informed the CIA that it planned to conduct inquiries with foreign governments about Lebed's wartime role. OSI had previously conducted an interview with Lebed six years earlier. Eli M. Rosenbaum, Principal Deputy Director, OSI, to Office of General Counsel, 4 October 1991, OGC 91-05243, and [redacted], Memorandum for the Record, "Interrogation of QRPLUMB/2," 16 October 1985, (S), both in Lebed, [redacted], DO Records. Roman Kupchinsky, president of Prologue, in turn, demanded that both the CIA and the GAO apologize to Lebed. See Roman Kupchinsky, "GAO Report on War Criminals Entering the US," 16 July 1985, in Lebed, [redacted], DO Records. Kupchinsky believed that the Soviets were behind many of the accusations leveled against Ukrainian nationalists. See Roman Kupchinsky, "Nazi War Criminals: The Role of Soviet Disinformation," in Boshyk, ed., *Ukraine During World War II: History and Its Aftermath*, pp. 137-144. The CIA's concerns about exposing Lebed and his connection to the Agency are found in [redacted], Chief, Political and Psychological Staff, Memorandum to DDO, "Department of Justice Investigation of QRPLUMB/2," 6 January 1986, (S), in Myroslav Prokop, [redacted], DO Records. Lebed continues to draw public interest as seen in Ralph Blumenthal, "CIA is Planning to Unlock Many Long-Secret Nazi Files," *The New York Times*, 10 September 1992, p. B-8; and Ralph Blumenthal, "Nazi Hunter Says CIA has Files on Man Accused of War Crimes," *The New York Times*, 17 September 1992, p. B10. (S)

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By the end of the 1940s, the CIA's initial reluctance to use pro-Nazi Germans and Eastern European collaborators as intelligence sources and, indeed, as operatives had waned considerably. The wartime roles of many of these individuals and groups became a negligible factor as the CIA began active operations behind the Iron Curtain. The Agency downplayed accounts of the brutality of many of the Eastern European émigré groups and their collaboration with the Nazis. DCI Hillenkoetter, for example, responding to an inquiry from the chairman of the Displaced Persons Committee in the spring of 1949 about the status of certain groups, stated:

> A curious anomaly has developed since the end of the war. Several of these organizations (for example, the Melnik and Bandera groups and the Lithuanian Partisans) sided with the Germans during the war not on the basis of a pro-German or pro-Fascist orientation, but from a strong anti-Soviet bias. In many cases their motivation was primarily nationalistic and patriotic with their espousal of the German cause determined by the national interests. Since the end of the war, of course, these opportunistically pro-German groups remain strongly anti-Soviet and, accordingly, find a common ground with new partners.[59] (S)

Two years later, CIA admitted to the Immigration and Naturalization Service that it had hidden Stefan Bandera and other Ukrainians from the Soviets. "Luckily the [Soviet] attempt to locate these anti-Soviet Ukrainians was sabotaged by a few farsighted Americans who warned the persons concerned to go into hiding." Citing the Ukrainian resistance movement's struggle against the Soviets, the Agency believed that "the main activities of the OUN in the Ukraine cannot be considered detrimental to the United

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[59]DCI to Ugo Carusi, Chairman, Displaced Persons Commission, 7 April 1949, (C), in DCI Records, [redacted], Box 13, Folder 538, CIA ARC. (C)

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States." The Agency in 1951, at the same time as it defended Mykola Lebed, excused the illegal activities of OUN's security branch in the name of Cold War necessity:

> There are at least twenty former or active members of the SB of OUN/Bandera in the United States at the present time. Although the SB is known to have used extra-legal methods while investigating or interrogating suspected Soviet agents, there have been few cases to date where it was possible to pin a specific criminal activity on any individual belonging to the SB and take court action. Since the SB kept elaborate files and conducted investigations on Ukrainians and suspected Soviet agents of other nationalities, no serious attempt has ever been made by American officials in Germany to disband the SB . . . . Operating independently, the SB has upon occasion been more of a headache to American intelligence than a boon. Nevertheless in war-time a highly nationalistic Ukrainian political group with its own security service could conceivably be a great asset to the United States. Alienating such a group could, on the other hand, have no particular advantage to the United States either now or in war-time.[60] (S)

In summary, while American intelligence had contact with a number of groups in Western Europe in the years after World War II, it was not until after 1948 that the Central Intelligence Agency, still in its infancy, took steps to actually employ these groups in operations behind the Iron Curtain. The Office of Special Operations drew upon its Ukrainian contacts not only to fight the cold war in Germany and the Soviet Union, but brought one of the chief Ukrainian leaders, Mykola Lebed, to the United States to lead resistance efforts here. At the same time as OSO worked with the

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[60]Wyman to Commissioner, Immigration and Naturalization Service, "Vasyl GOGOSHA and the OUN/Bandera," 23 May 1951 (signed by B.F. Kelly, Assistant Commissioner Enforcement Division on CIA letterhead), (S), in DO Records, ⊂ ⊃, Box 1, Folder 5, CIA ARC. A copy of this document is also located in OGC Records, ⊂ ⊃, Box 1, CIA ARC. John Loftus claims that Frank Wisner had this memorandum written. See John Loftus, *The Belarus Secret*, ed. Nathan Miller (New York: Paragon House, 1989, rev. ed. 1982), pp. 106-107. (S)

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Ukrainians to penetrate the Iron Curtain, a new CIA organization, albeit a sometime rival, joined in the struggle against world communism. The formation of the Office of Policy Coordination in 1948 accelerated the use of Nazis and their collaborators by American intelligence. (S)

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Chapter Seven

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

Could He Not Be Brought to This Country and Used? (U)

The year 1948 marks a milestone in the history of the Central Intelligence Agency. During the first years after World War II, American intelligence, like the military itself, was in the throes of demobilization. Uncertainty in the wake of the disbandment of OSS was compounded by personnel turnover, a lack of funding, and, most importantly, confusion as to targets and missions. The Strategic Services Unit and the Central Intelligence Group had both been small, resource-starved organizations while the new Central Intelligence Agency, established by the National Security Act of 1947, still had to establish itself as the first civilian intelligence agency in the history of the United States. Over the next two years, the United States Government reevaluated the role of secret intelligence. Directives issued by the National Security Council (NSC) transformed the young CIA into an action-oriented, operationally minded agency. As the Cold War heated up with the outbreak of fighting in Korea in 1950, the Agency witnessed a tremendous expansion of agents and operations that broadened its overall thrust of

foreign intelligence and counterintelligence to the new world of psychological warfare and covert action. (U)

Covert Operations (U)

NSC 4-A in December 1947 authorized CIA to conduct "covert psychological operations designed to counteract Soviet and Soviet-inspired activities which constitute a threat to world peace and security or are designed to discredit and defeat the aims and activities of the United States in its endeavors to promote world peace and security."[1] The National Security Council soon broadened CIA's responsibilities with NSC 10/2 in June of 1948.[2] Perhaps one of the most important documents in the CIA's history, NSC 10/2 authorized the Office of Policy Coordination (OPC) to conduct "covert operations," or "activities . . . which are conducted or sponsored by this Government against hostile foreign states or groups or in support of friendly foreign states or groups but which are so planned and executed that any US Government responsibility for them is not evident to unauthorized persons and that if uncovered the US Government can plausibly disclaim any responsibility for them." (U)

NSC10/2 authorized the OPC to handle such covert operations as:

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[1] A copy of NSC 4-A is found in US Department of State, *Foreign Relations of the United States, 1945-1950, Emergence of the Intelligence Establishment* (Washington, DC: Government Printing Office, 1996), pp. 649-51. In response to NSC 4-1, the CIA established a Special Procedures Group, whose duties were taken over by the Office of Policy Coordination. (U)

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> propaganda, economic warfare; preventive direct action, including sabotage, anti-sabotage, demolition and evacuative measures; subversion against hostile states, including assistance to underground resistance movements, guerrillas and refugee liberation groups, and support of indigenous anti-Communist elements in threatened countries of the free world.[3] (U)

Headed by Frank G. Wisner, the State Department official who had recommended the use of émigrés a few months earlier, OPC had virtual autonomy in the new field of covert operations. The new office received its guidance from the Departments of Defense and State, especially from the latter's Policy Planning Staff under George Kennan.[4] (U)

OPC's Rapid Growth (U)

OPC left a deep mark on American intelligence during its brief life (it merged with the Office of Special Operations in 1952 to form the Clandestine Services of the Deputy Directorate of Plans, or D/DP). Under NSC 10/2, the Truman Administration gave Wisner the clear signal to proceed with his plans to utilize émigré groups in Europe. As he had originally conceived in SANACC 395, Wisner wanted to exploit the

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[2]A copy of NSC 10/2 is found in Sate Department, FRUS, *Emergence of the Intelligence Establishment*, pp. 713-715. (U)

[3]Ibid. (U)

[4]The composition of the State Department's Policy Planning Staff and its relationship with OPC is discussed in [redacted] Clandestine Services Historical Series [redacted] For further discussion on the advent of CIA's covert operations, see Peter Grose, *Operation Rollback: America's Secret War behind the Iron Curtain* (Boston: Houghton Mifflin Company, 2000). (S)

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weaknesses in Soviet society by US covert support to resistance groups and by "black" propaganda. Some of the most notable Cold War legacies—such as Radio Free Europe (RFE), and the American Committee for Freedom for the Peoples of the USSR (later the American Committee for Liberation)—all had their genesis under OPC.[5] (U)

OPC underwent rapid growth and transformation. In 1948, for example, Wisner had some 30-odd personnel in three bases in Germany. Within two years, it had swollen to 253 personnel in Germany handling 62 various projects and operations, many associated with German political parties, labor unions, and media outlets.[6] OPC had so many widespread activities that it called for a budget of nearly [redacted] in 1953. Of that amount, the office planned to spend nearly [redacted] for operations in Eastern Europe. OPC also funded other psychological warfare missions. The National Committee for a Free Europe and its radio programming swallowed an additional [redacted] while OPC wanted to spend another [redacted] on the AmComLib. Projected expenses for paramilitary training, escape and evasion routes, and staybehind networks amounted to over [redacted].[7] (S)

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[5]An overall perspective of this period is found in Evan Thomas, *The Very Best Men: Four Who Dared: The Early Years of the CIA* (New York: Simon and Schuster, 1995). (S)

[6]A summary history of OPC's early operations in Germany is found in [redacted] Clandestine Services Historical Series [redacted]

[7]Comptroller, "OPC Budget for Fiscal Year 1953 by Major Requirements," 7 December 1951, (S), in CIA History Staff Records, HS/CSG-768, [redacted] Box 5, CIA ARC. (S)

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The veterans of SSU, CIG, and early CIA were amazed, and somewhat dismayed, by the growth of OPC. While the Office of Special Operations initially concentrated on exploiting those assets at hand in Germany and slowly built up its knowledge of the USSR, OPC had broader goals.[8] OPC's rapid expansion caused confusion among US intelligence agencies in Germany because they competed for many of the same agents and operations. Gordon M. Stewart, OSO's chief of mission in Karlsruhe, recalled these heady days:

> As a result of Korea [the conflict broke out in 1950] we found ourselves in the midst of a large military buildup and the hectic expansion of CIA's activities. Europe got more men and arms than the Far East; CIA's staff in Germany increased several fold. One cold war project was piled on top of another, agents were recruited by the hundreds. Any project which would contribute to the slowdown or harassment of invading Soviet or satellite forces got a hearing. The effect on CIA was too much money and too many people. By mid-1952 the nature of our organization had been radically changed and we were up to our hips in trouble.[9] (U)

Frank Wisner's belief that Russian and other emigre groups could contribute to the defeat of Soviet communism added to the CIA's own organizational transformation and operational uncertainties. While expanding CIA's contact with the émigré groups in

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[8]For examples of the diversity of OPC's worldwide activities, see "OPC Daily Reports," 14 February 1951 through 23 April 1952, (S), in CIA History Staff Records, HS/CSG-716, [redacted] Box 5, CIA ARC. (S)

[9]Gordon M. Stewart, *From Corning to Karlsruhe: Memoirs of a CIA Original* [1996 revised draft manuscript], p. 105. Copy in CIA History Staff files. (U)

Europe, Wisner also turned to European "experts" on the USSR to gain intelligence on the Soviets.[10] (S)

Psychological Fission (U)

The German experience in the Soviet Union during World War II intrigued the Office of Policy Coordination. Frank Wisner, in particular, sought to learn the lessons of the German defeat in the East–a defeat that he felt was due in large measure to Nazi failure to capitalize on the anticommunist sentiment of the Russian people. Reviewing the Nazi experience on the Eastern Front, Wisner felt that the United States "should stop thinking of the Soviet Union as a monolithic nation and investigate the internal strains." He advocated the use of consultants, in some cases Americans and others of foreign backgrounds, who had firsthand knowledge of the Soviet Union, its peoples, and political system.[11] (S)

For political insight, OPC drew upon the services of Gustav Hilger, a Russian-born German, who had served with the German Foreign Ministry in the Soviet capital. OPC also employed Nicholas Poppe, a Russian social scientist, who possessed an

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[10] According to a 7 September 1949 memorandum from Robert P. Joyce to George F. Kennan, "OPC was advised to undertake plans and preliminary operations looking forward to the organization of the Russian non-returnees and DPs presently in US Zone of Occupation in Germany and Austria." As early as January of that year, Kennan told Wisner that "as the international situation develops, every day makes more evident the importance of the role which will have to be played by covert operations if our national interests are to be adequately protected." See Joyce to Kennan, 7 September 1949, TS 41303, (S), in CIA History Staff Records, HS/CSG-761, [redacted], Box 5, CIA ARC; and Kennan to Wisner, 6 January 1949, TS 29143, (S), in CIA History Staff Records, HS/CSG-759, [redacted], Box 5, CIA ARC. (S)

[11] See Wisner to Offie et al, "[redacted] Proposal," 30 April 1949, (S), in Gustav Hilger, [redacted], DO Records. (S)

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encyclopedic knowledge of the various nationality groups in the USSR. Both men had worked in the Soviet Union and, as it turned out, both Hilger and Poppe played leading roles in Nazi Germany. American diplomats, in fact, valued Hilger's expertise even before the war. His capture by American forces after Germany's collapse was seen as fortuitous. While Poppe had more esoteric value to American intelligence, the combination of Frank Wisner's interest in the "psychological fission" of the Soviet Union and the mandate of NSC 10/2 impelled OPC to exploit both men. (S)

The Agency's use of Hilger and Poppe reveals the extent to which the OPC appropriated German wartime expertise for its own purposes. Just as the Agency had expressed reluctance to become involved with the Ukrainians, CIA officials initially rejected the use of foreign experts. The Agency's reluctance, however, withered in the face of the growing need to prepare for war with the Soviet Union. In the end, CIA became deeply involved with both Hilger and Poppe. (S)

A Fabulous Scholar (U)

Nicholas Poppe first came to the attention of the Central Intelligence Group in August 1946 when Richard N. Frye, a former OSS officer and a Harvard University professor, informed Stephen Penrose, Jr., a senior OSO official in Washington, that he planned to visit "a fabulous scholar" now in hiding in the British zone of Germany.[12]

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[12]"209" to Stewart, "Visit of Mr. Richard N. Frye," 26 August 1946, L-003-826, (S), in DO Records, [redacted], Box 2, Folder 21, CIA ARC. Born in Alabama in 1920, Frye received his AB from the University of Illinois in 1939 and a master's from Harvard the next year. He served during the war in the Near East section of R&A and completed his Ph.D. at Harvard in 1946. A specialist in Iranian history and culture, Frye was a visiting professor overseas and a Harvard University professor with numerous books and articles to his credit. Stephen Penrose was a specialist on the Middle East with OSS, [redacted]

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Following a meeting with Poppe, both Frye and Henry Hecksher "were quite impressed with his abilities," according to Gordon Stewart in early 1947.[13] As it turned out, the Soviets also knew that Poppe was hiding in western Germany, and they requested his arrest in a memorandum to Lt. Gen. Clay in November 1946. Colonel General P. A. Kurochkin, the deputy commander of the Soviet Military Administration, noted that Poppe "took an active part in betraying Soviet citizens who participated in the fight against the German-Fascist invaders in the occupied Soviet territory." The Soviet officer added, "it was established that N.N. Poppe was an active agent of the Gestapo and personally cooperated with members of the Gestapo in the interrogation, often attended by cruel beating, of arrested Soviet citizens."[14] (U)

After a preliminary investigation, Maj. Gen. Frank A. Keating, the Assistant Deputy Military Governor, reported back to his Soviet counterpart that American officials had been unable to locate Poppe, but promised that the search would continue.[15] In fact, the German Mission sent [redacted] to northern Germany to locate Poppe while the Army's CIC searched for him in the American zone. [redacted] did not find Poppe in the British zone, but did meet with his son. Gordon Stewart, the chief of the Intelligence Branch, told Richard Helms in Washington that "in view of the fact that the British are

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[redacted] From 1948 until his death six years later, Penrose was the president of the American University in Beirut. (S)

[13]Stewart to Helms, "Nikolai N. Poppe," 22 January 1947, MGH-003-122, XARZ-29325, (S), enclosing [redacted] to Chief, Intelligence Branch, "Poppe, [Nikolai]," 15 January 1947, (S), in DO Records, [redacted] Box 3, Folder 20, CIA ARC. (S)

[14]Colonel General Kurochkin to Lt. Gen. Clay, 20 November 1946, 34/43385, in RG 260, OMGUS Records, The Records of the Executive Office, The Chief of Staff, Correspondence and Records Maintained by Maj. Gen. Frank Keating 1946-47, Box 25, Folder 9, NARA. (U)

[15]Keating to Kurochkin, 11 January 1947, enclosing Maj. Gen. Clarence R. Huebner, Chief of Staff, USFET, to Maj. Gen. Keating, 9 January 1947, in RG 260, OMGUS Records, The Records of the Executive Office, The Chief of Staff, Correspondence and Records Maintained by Maj. Gen. Frank Keating 1946-47, Box 25, Folder 9, NARA. (U)

either attempting to hide him or intend to debrief him and then turn him back, we have decided to drop the whole matter."[16] (S)

Frye, however, was not willing to let matters drop. In April 1947, he traveled to Washington after his return from another trip to Europe, and spoke with Col. Robert McDowell at Army G-2 about the Russian. Frye expressed his frustration that CIG had not taken steps to protect Poppe, but offered the hope that Army intelligence would be interested in this "gold mine of information re Soviet Asia & relations with Japan & China." [redacted] sent a reply to Frye explaining that CIG, in fact, tried to contact Poppe. Given the British interest in Poppe's case, [redacted] concurred with the field's recommendation that it was best to let things pass. He was, however, willing to try to contact Poppe again if CIG could ascertain his location in Germany.[17] (S)

Following up on his correspondence to Frye, [redacted] cabled to Heidelberg asking that Hecksher take another look at Poppe to determine his usefulness to American intelligence.[18] In the meantime, Frye expressed his frustration at the US Government's inability to protect Poppe, complaining that Poppe was still waiting for assistance. "Frankly," Frye told [redacted] "I am more sorry than angry at the way things have not developed. It is the same old story of lack of authority, or lack of initiative, or lack of desire to take responsibility. As I told you before, I & Henry H. who went with me to interview him, are convinced the man is a mine of information, rather –more important– knowledge. C.I.C. shouldn't be able to turn him back to the cousins, because he is an

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[16]Stewart to Helms, "Nokolai N. Poppe," 22 January 1947, MGH-003-122, XARZ-29325, (S), enclosing [redacted] to Chief, Intelligence Branch, "Poppe, [Nikolai]," 15 January 1947, (S), in DO Records, [redacted], Box 3, Folder 20, CIA ARC. (S)

[17][redacted] to Frye, 30 April 1947, in response to Frye to [redacted] 22 April 1947, XARZ-29326, in DO Records, [redacted], Box 3, Folder 25, CIA ARC. (U)

[18]Cable, Special Operations to Heidelberg, 19 May 1947, Washington 2434, OUT 2434, (S), in DO Records, [redacted], Box 4, Folder 26, CIA ARC. (S)

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Estonian D.P." Frye told [redacted] that he would try to get Poppe a job at Harvard University if CIG would facilitate his immigration to the United States. "In such a case your people, who seem to fear taking responsibility on a possible 'gold brick,' would be soothed & could use his services, as he is most willing."[19] (S)

Later in May 1947, Frye wrote another member of CIG for assistance. "The problem is Nikolai Nikolaievitch Poppe, a friend, and the greatest living authority on Soviet Siberia and Outer Mongolia," Fyre explained. According to Frye, Poppe was "born in Shanghai in 1897, speaks twelve languages, prof. in the University of Leningrad 1923-28, and Moscow 1930-41. The two years in between mark the time when he was in Outer Mongolia organizing proper USSR-Mongol relations. He has done the same for Chinese Turkestan, and has lived in various cities of Asiatic Russia."[20] Frye glossed over Poppe's wartime activities, noting only that he "joined the Germans, returned to Germany and his friends." Now living as a displaced person in the British Zone, Frye appealed, "could he not be brought to this country and used?" In Frye's opinion, Poppe "is of importance to our gov't, and also to the scholarly world," and he pleaded "that such a person not be allowed to perish, but to serve a function."[21] (S)

Frye's efforts sparked yet another round of talks within the Central Intelligence Group as to Poppe's usefulness for American intelligence. The German Mission reported in early June that it could not assess Poppe's value to American intelligence because of his "peculiar background." The field stated that it could arrange his interrogation at Oberursel, if Headquarters desired, but felt that Poppe "would be far greater value in

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[19]Frye to [redacted] 15 May 1947, XARZ-29325, in DO Records, [redacted], Box 3, Folder 20, CIA ARC. (S)

[20]Frye to [redacted] 28 May 1947, (S), in Nicholas Poppe, [redacted], DO Records. (S)

[21]Ibid. (S)

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US"[22] Headquarters, in turn, asked Heidelberg to consult with the British about Poppe.[23] Richard Helms, FBM's chief, reported British sentiments to Col. Galloway, the Assistant Director of Special Operations, in August 1947. "There has been considerable investigation of the Poppe case dating back some months. He lives in the British Zone of Germany, the British know all about him, and would, in fact, be glad to get rid of him because of his nuisance value."[24] Despite Poppe's credentials, Helms maintained "we can see no compelling reason to go to all the trouble of getting him to the United States. It is granted that he is a Far Eastern scholar of distinction, but, aside from his background," Helms added, "he has little present or future usefulness to a secret intelligence organization." Helms commented that if Frye "wants the man to come to this country so badly . . . . he should have him apply as any other DP would apply, then do what he can to get the State Department to grant a visa." Col. Galloway agreed with Helms's assessment.[25] (S)

Two months later, the British requested that the US Army take control of Poppe. Helms reiterated, "Poppe has no operational interest to OSO" and cut right to the heart of the matter: "Does the United States Army or CIA desire as a courtesy to the British to dispose of Poppe? If it is decided that this courtesy be afforded the British, the decision will involve as a corollary necessary arrangements to bring Poppe to the United States."[26]

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[22]Cable, Heidelberg to Special Operations, 3 June 1947, Heidelberg 912, In 15664, (S), in DO Records, [redacted] Box 4, Folder 28, CIA ARC. (S)

[23]Cable, Special Operations to Heidelberg, 5 June 1947, Washington 2947, OUT 2947, (S), in DO Records, [redacted], Box 4, Folder 28, CIA ARC. (S)

[24]Helms to Galloway, "N. Poppe," 13 August 1947, (S), in Poppe, [redacted], DO Records. (S)

[25]Galloway to [redacted] "N. Poppe," 18 August 1947, (S), in Poppe, [redacted], DO Records. (S)

[26]Helms to Galloway, 17 October 1947, (S), enclosing Gen. Lethbridge's 6 October 1947 letter (not found), in DO Records, [redacted], Box 522, Folder 1, CIA ARC. (S)

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The Agency agreed to take Poppe from the British after mid-October 1947, although the actual transfer itself did not occur until May 1948. (S)

Poppe arrived in the American Zone at the instigation of Carmel Offie, a State Department official assigned to the Office of the US Political Adviser in Germany (POLAD).[27] In an operation known as FATHER CHRISTMAS, Poppe moved from the British Zone and met Offie at a Frankfurt office of the Counter Intelligence Corps on 12 May 1948. A member of OSO, who attended the meeting observed, "Offie said he had come specifically from Washington to deal with his case among other specific problems." Interestingly, Offie told Poppe that "State Department permission would **not** [original emphasis] be necessary for Poppe to immigrate and that it could be arranged through him."[28] (S)

Following the interview in Germany, Offie returned to Washington and called on Larence R. Houston, CIA's General Counsel. After Offie urgently asked Warner to arrange for Poppe's transfer to the United States, Warner discussed the case with Frank Wisner. OPC later asked the Joint Chiefs of Staff and the Joint Intelligence Objectives Agency to expedite Poppe's immigration.[29] By January 1949, Poppe had received a CIA

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[27]Born in 1909 in Pennsylvania, the son of Italian immigrants, Carmel Offie was a colorful, if not unusual CIA officer. He joined the State Department in 1931 as a clerk and rose through the ranks after his assignment to US Embassy in Moscow. Outgoing, fluent in several foreign languages, Offie made quick friends in high society circles. He joined OPC in 1949, but served only briefly when he resigned in May 1950. By this time, Congressional investigators and the FBI had pinned Offie as a homosexual. Charges of corruption and other scandalous affairs hounded Offie until his death in a plane crash in Paris in 1972. ⊏ ⊐. See also various entries on Carmel Office in Hersh, *The Old Boys*. (U)

[28]⊏ ⊐, Special Operations Section to ADSO, "Poppe Nikolaus - Operation "Father Christmas," 13 May 1948, (S), in Poppe, ⊏ ⊐ DO Records. (S)

[29]Lawrence R. Houston to ADPC, "Nikolai Poppe," 10 December 1948, (S), in Poppe, ⊏ ⊐ DO Records. (S)

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pseudonym, Stewart G. Waite, while he waited at the European Command Interrogation Center for the Agency to complete its investigation. In the meantime, Wisner approved Offie's proposal to employ Poppe.[30] (S)

Is Justice a Janus-Faced Being? (U)

Not until mid-February 1949, however, did the chief of station in Karlsruhe transmit to Washington copies of the British reports of Poppe's interrogation in 1946.[31] These reports discussed Poppe's anticommunist activities and his work with the Nazis after the German occupation of the Caucasus in mid-1942. Poppe admitted that he had worked for the Germans as a translator, and claimed to have saved the "Mountain Jews" from German retribution prior to the retreat of Nazi forces from the region. He went from there to Berlin as a researcher on Soviet matters at the RSHA's *Wannsee-Institut*, and later worked at the German *Ost-Asien Institut* in Czechoslovakia. While Poppe tried to make his work with the Germans seem harmless, both institutes in reality conducted research on the "Jewish problem" in order to perfect the Nazi killing machines.[32] (S)

While in British hands, Poppe bemoaned his fate and said, "but I am called a traitor, a war criminal and I am refused in any country not only as specialist on my

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[30]Wisner to Chief, Special Funds Division, OSO, "OPC Project JITNEY-JIBOA 1-E-4," with funding for $3750 in Poppe, [redacted], DO Records. Originally proposed as Project EARTHQUAKE in December 1948, Project JITNEY sought to prepare and implement plans for the training, equipping, and use of guerrilla warfare units as a part of a larger underground movement. (S)

[31]British reports on Poppe were sent from Germany to Headquarters in Chief of Station, Karlsruhe to Chief, SPG, "Nikolas Poppe," 11 February 1949, MGK-A-6169, (S), in Poppe, [redacted], DO Records. (S)

[32]See "Interrogation Report on Professor Nicholas Poppe," 11 November 1946, PF20541, (S), Enclosure 4 to above-cited document in Poppe, [redacted], DO Records. (S)

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scientific subjects but even as teacher on other subjects familiar to me. I must live in hiding as if I were an escaped criminal. Is there any justice, I mean human justice." Comparing his situation with the Bolshevik revolutionaries of World War I, Poppe said, "why people who had plotted against the lives of the Czars and their Ministers were allowed to live openly in Switzerland and in other countries? Or are there two justices, one concerning murderers of the Czars and another concerning fugitives from Russia? Is justice a Janus-faced being?" The British generally accepted Poppe's melodramatic presentation and concluded that while he worked for the RSHA, he was simply a traitor and not a war criminal.[33] (S)

Despite this admission, neither the British nor the Americans returned Poppe to Soviet hands. The fact that the Soviets wanted Poppe made him an even greater asset for OPC as it scoured Europe for Soviet experts. Bringing Poppe to the United States, however, proved to be a slow process and one that tested Offie's patience. He complained bitterly to [redacted], CIA's acting Executive Director, in April 1949 about the length of time that the Agency took to process Poppe's immigration.[34] (S)

Offie's complaint apparently hastened the procedure because Poppe arrived on a US Air Force transport at Westover Field, Massachusetts, on 16 May 1949. Entering the United States as a displaced person under the sponsorship of John Davies of the State Department's Policy Planning Staff, Poppe immediately went to Washington, to learn that he would earn $500 a month as a consultant to OPC.[35] Within weeks, Poppe (who also was referred to in official correspondence as Karl H. Bergstrom or "Professor"

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[33]Ibid. (S)

[34]Carmel Offie to [redacted] "Nikolai Poppe," 11 April 1949, (S), in Poppe, [redacted] DO Records. (S)

[35]Poppe worked as a consultant for OPC under Project QKJIBOA. This project was solely dedicated as a research project for Poppe and was canceled on 20 February 1950. (S)

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Bergstrom), began producing reports, such as "Ethnic and Religious Frictions in Chinese Central Asia" and "Broadcasting to Asiatic Peoples in the USSR in their Native Languages," for American intelligence.[36] Poppe's case officer in June also desired information about "Soviet mass desertions in the summer of 1941 and the welcome by peasants and townspeople of the Germans as liberators."[37] (S)

Handled on a Classified Basis (U)

Poppe's arrival in 1949 complemented the studies being written by Gustav Hilger, perhaps OPC's most prized Soviet expert. While Poppe fell out of Offie's favor later that year and left to take up a teaching position at the University of Washington, Hilger's star shone bright at both OPC and the State Department.[38] Hilger had a notable career in the

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[36]Poppe resumed his real identity in June 1949 after his identity papers had been retrieved from INS. He had surrendered all of his documentation when he arrived at Westover Field. Copies of Poppe's reports are found in his 201 file. Robert P. Joyce told Carmel Offie on 8 June 1949 that "it appears obvious that the fruits of the good professor should be made available not only to key persons in Dept. of State, but also to key posts in the field." (S)

[37] ⊏ ⊐ I to ⊏ ⊐ "Soviet Desertions," 21 June 1949, (S), in Poppe, ⊏ ⊐ DO Records. (S)

[38]Poppe accepted a teaching position despite OPC's overall reservations in 1949. By this point, OPC had learned that "Offie had revised his opinion of Poppe and thought that he had a low potential." Despite this change in attitude, Poppe continued to act as a consultant for CIA on other projects even after he departed Washington and provided reports until 1973. There was some confusion in 1950 as to OPC's commitment to Poppe to bring his two sons to the United States from Great Britain. See "The Poppe Case: Terms of Employment," in Poppe ⊏ ⊐, DO Records. The GAO reviewed Poppe's case during its second investigation and he is listed as "Subject E" in the 1985 GAO report. OSI also reviewed the CIA's holdings on Poppe in 1984 and 1985. One CIA official resented the fact that OSI obtained its lead on Poppe from the Soviet Embassy. While OSI had access to CIA files, this official wrote, "a review of the file [Poppe's 201 file] makes clear that this is just Soviet vengeance against a man who is in essence a defector, not a war criminal. I don't quite see why this agency should be forced to open its files to DOJ/OSI fishing expeditions every time the Soviets pass on a new name." For notes made by GAO investigators on Poppe from CIA records, see DO Records, ⊏ ⊐ Box 3, Folder 49, CIA ARC. For DO and OSI correspondence on Poppe, including ⊏ ⊐

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German Foreign Ministry, serving in the German embassy in Moscow and later as personal secretary to Joachim von Ribbentrop, Germany's Foreign Minister (who was convicted of war crimes and executed at Nuremberg). During the war, Hilger helped to bring Soviet defectors into the German ranks and organized the Vlasov Army. His firsthand experience with both Soviet officials and anticommunist groups was considerable; a fact quickly recognized by both the Americans and the Russians. (S)

Hilger surrendered to the Americans in the spring of 1945 and underwent extensive debriefings in the United States about his knowledge of the Soviets.[39] He even produced a study, "Diplomatic and Economic Relations between Germany and the USSR, 1922 to 1941," for the Department of State.[40] Upon his return to Germany, Hilger worked as the chief of the political section in the evaluation side of the nascent West German intelligence service.[41] While working for the Gehlen Organization, the US Army facilitated the escape of Hilger's wife, daughter, and two grandchildren from Soviet hands and brought them to the American sector in Berlin. Lt. Col. John R. Deane, Jr., the US Army officer responsible for the Gehlen Organization, supervised the removal of Hilger's family and commented that "the Russians have a great interest in the people we are attempting to evacuate in this case and therefore it is urgently requested that they be

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IMS/FPLG/Appeals and Litigation Branch to Acting Chief, FPLG, "DOJ Trace Request: Alleged Nazi War Criminals: Nicola Poppe, OSI #789," 23 April 1985, XAN-1117, (S), see DO Records, [redacted] Box 2, Folder 10, CIA ARC. (S)

[39]Capt. Halle, "Report of Interrogation: No. 5854, 5856, 5857, 5858, 5859, 5860," 9 November 1945, (S), in Hilger, [redacted] DO Records. (S)

[40]"Diplomatic and Economic Relations Between Germany and the USSR, 1922 to 1941," 15 October 1946, enclosure to United States Office of the Political Adviser, Despatch No. 7576, 5 November 1946, (S), in Hilger, [redacted], DO Records. (S)

[41]Donald G. Huefner to Chief of Station, Karlsruhe, "RUSTY Evaluation Group," 2 December 1948, MGK-W-1040, (S), in Hilger, [redacted] DO Records. (S)

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afforded adequate protection against any type of harm or kidnapping from that quarter."[42] (S)

Hilger's reputation and his reports on the Soviet Union stirred interest at OPC as well as the State Department. Both organizations wanted to bring Hilger to the United States. Indeed, George Kennan at State arranged for Hilger and his family to travel to America using an Office of the Military Government of Germany (OMGUS) Temporary Travel Document on 18 October 1948. Hilger and his wife also possessed nonimmigrant visas issued by the US Consul in Germany. Lawrence Houston, CIA's General Counsel, asked the INS that Hilger's "examination at the port of entry be waived, and that the case be handled on a classified basis."[43] Hilger and his wife remained in the United States and received extensions to their Military Government permits through May 1951. At the same time, the State Department explored ways to legalize the status of the Hilger family as Russian immigrants–both Hilger and his wife had been born in Russia, although they were German citizens.[44] (S)

A Resident Expert (U)

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[42]Lt. Col. John R. Deane, Jr., to Office of the Director of Intelligence, "Operation FIREWEED," 21 July 1947, (S), and Deane to Col. Skinner, "Operation FIREWEED," 31 July 1947, (S), both in Hilger, ⊏ ⊐, DO Records. (S)

[43]Lawrence R. Houston, CIA General Counsel, to W.W. Wiggins, Chief, Investigation Section, INS General Counsel, "Dr. Gustav Hilger," 18 October 1948, (S), in GAO Notes of CIA documents, Gustav Hilger file, DO Records, ⊏ ⊐ , Box 3, Folder 55, CIA ARC (hereafter cited as GAO Notes, Hilger file). Houston wrote this document the same day that Hilger arrived in the United States. (S)

[44]For examples of Kennan's and CIA's intercessions on Hilger's behalf, see ⊏ ⊐ Memorandum to Special Assistant to ADPC, "Dr. Gustav Hilger and his Wife Marie–Immigration Status," 3 January 1950, (S); George F. Kennan to Cecil F. Cross, American Consulate General, Montreal, Canada, undated [c.1949]; and H.J. L'Heureux to Mr. Schwartz, 3 January 1950, in Hilger, ⊏ ⊐ DO Records. (S)

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The Agency soon established Hilger at its headquarters in Washington. By April 1949, he had produced 16 reports on topics ranging from "Strategy and Tactics of Bolshevism" to "The Ukrainian Problem as it Showed up in the War between Germany and the Soviet Union (1941-1945)." In the latter report, Hilger described Germany's failure to take advantage of Ukraine's situation during the war and some of the resultant difficulties. In light of the overall weakness of Ukrainian nationalism in the face of Soviet repression, Hilger felt that there was little hope for the Ukrainians to confront the Soviets. In the event of war, the Ukrainians, in Hilger's opinion, could be expected to support Russia's adversary if that country could "guarantee the Ukrainians the abolition of collectivization and a raising of their standard of living."[45]

Hilger's access to raw as well as finished intelligence products did not sit well with officials within the CIA. OPC's Executive Officer, [redacted], who had returned to Washington from his assignment as the deputy chief of the German Mission, requested in November 1948 that the Agency's Inspection and Security branch conduct a "covert" investigation of Hilger after his arrival in the country.[46] Col. Sheffield Edwards, CIA's Security Officer, in fact, refused to extend Hilger's clearance a year later.[47] (S)

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[45]For a list of Hilger's reports, see [redacted], Acting DADPC, to [redacted] Office of Operations, "Reports by Dr. Hilger," 26 April 1949, (S), in DO Records, [redacted] Box 1, Folder 1, CIA ARC. Copies of some of these reports are located in Folder 2 of this same job. Hilger's report on the "Ukrainian Problem" has been declassified and is located in the Records of the National Security Council at the Harry S. Truman Library. (S)

[46] [redacted] to [redacted], Inspection and Security Branch, "Dr. Gustav Hilger," 4 November 1948, (S), in GAO Notes, Hilger file. (S)

[47] [redacted], Acting Chief, Special Staff, to Chief of Programs and Planning, "Clearance of Gustav Hilger," 20 October 1949, (S), in Hilger, [redacted] DO Records. (S)

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Tensions developed between OSO and OPC regarding Hilger's use of classified material. In September 1949, nearly a year after Hilger's arrival, Frank Wisner appealed to the DCI to permit Hilger "access to certain categories of classified information which is needed for Dr. Hilger to perform his job." Wisner warned Adm. Hillenkoetter that "we will have to dispense Dr. Hilger's assistance if information can not be accessible to him to perform his valuable task."[48] By this point, OPC had hired Hilger for a yearly salary of $8000.[49] OSO, however, did not want Hilger to use raw intelligence, especially the intelligence reports from the Gehlen Organization.[50] (S)

The situation appeared to have been resolved by late 1949, when ADSO Robert A. Schow, insisted that "no OSO information, or OSO-developed information, be made available to Hilger without the specific concurrence of this office."[51] Wisner agreed to Schow's request and noted, "it is proposed that he [Hilger] shall instead receive certain finished intelligence reports, studies, periodicals, and summaries with a classification of no higher than Secret."[52] By January 1950, the Inspection and Security Branch reached a

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[48]Wisner to the DCI, "Dr. Gustav Hilger," 12 September 1949, (S), in GAO Notes, Hilger File. (S)

[49]Note in GAO Notes, Hilger file (S). OPC employed Hilger in Project PBSTEAM, which became Project AEFORD in April 1953. See [redacted] Executive Officer, Programs and Planning, to M80, "1F-4 PBSTEAM–Extension of Project," 2 March 1950, (S), in Hilger, [redacted] DO Records. Project Status Reports for Projects PBSTEAM and AEFORD from August 1952 until September 1953 are found in DO Records, [redacted], Box 3, Folder 14, CIA ARC. (S)

[50]Wisner to Maj. Gen. William Hall, Director of Intelligence, OMGUS, 30 December 1948, (S); [redacted], Intelligence Support Staff, to Chief, Programs and Planning, "Proposed Use of Classified Information by Drs. Bergstrom and Hilger," 20 June 1949, (S); Helms to Chief, Inspection and Security Branch, "Dr. Gustav Hilger," 26 February 1950, (S), all documents located in Hilger, [redacted] DO Records. (S)

[51]Schow to Wisner, "Dr. Gustav Hilger," 31 October 1949, (S), in Hilger, [redacted] DO Records. (S)

[52]Wisner to ADSO, "Dr. Gustav Hilger," 1 November 1949, (S), in Hilger, [redacted] DO Records. (S)

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similar agreement with OPC about Hilger's presence in government buildings and his access to classified material.[53] After a polygraph interview, a CIA security officer noted, "Hilger's account of his dealings with people, countries visited, and time was such that he accounted for all periods of time and his actions satisfactorily." Security also approved Hilger because "there was no evidence of past activities, future intentions, and or, connection with the Communists or Bonn government in the form of deception on the polygraph test."[54] (S)

Taking Stock (U)

OPC soon found itself running out of work for Hilger.[55] [redacted], acting chief of OPC's Programs and Planning Division, told [redacted], the deputy chief of Staff I, in February that "Hilger has been with us for relatively a long time. He has produced, I believe, a few very excellent papers but in the main I believe that he has been busily engaged in the production of his memoirs." "I have not been convinced," [redacted] lamented, "as to Hilger's precise, positive value to us at this time." [redacted] wanted Hilger to produce more research to determine whether to retain him or not.[56] (S)

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[53]Memorandum of Understanding between Col. Sheffield Edwards, Chief, Inspection and Security Staff, and Wisner, ADPC, "Gustav Hilger - Security Controls Re," 18 January 1950, (S), in Hilger, [redacted], DO Records. (S)

[54]Memorandum for the File, [redacted], Chief, Security Control Staff, "Gustav Hilger," 3 February 1950, (S), in GAO Notes, Hilger file. (S)

[55]See Wisner's comments about Hilger and Poppe at the ADPC staff meetings. Both men are mentioned at the meetings on 6 January 1950, 26 May 1950, 21 June 1950, 19 July 1950, and 15 November 1950. ADPC Staff Meeting Minutes, 1949-1951, (S), in DO Records, [redacted] Box 1, Folder 6, CIA ARC. (S)

[56] [redacted] Acting Chief, Programs and Planning, Memorandum to Deputy, Staff I, "Dr. Gustav Hilger," 17 February 1950, (C), in Hilger, [redacted] DO Records. (S)

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[redacted] replied in mid-March that more reports would require additional time. Concerning Hilger's overall usefulness, [redacted] was "convinced" that:

a. Hilger is a definite asset.

b. We will seldom get from him precise answers to precise questions. We can, however, profit greatly from his evolutionary thought.

c. He can only be exploited by mature and intelligent persons.

d. His problem has three aspects: administrative, security, and exploitation. (S)

Consequently, [redacted] recommended that Hilger be handled by "an extremely high caliber person," and he suggested [redacted] of the Office of Reports and Estimates.[57] In an effort to boost Hilger's value to OPC, [redacted] also arranged to have him hold biweekly briefings at a conference room in Building K after May 1950. Hilger could then speak for 25 minutes on "the implications of current events from the viewpoint of Soviet policy," and answer questions for another 30 minutes. Even these presentations, however, faced limitations for security reasons.[58] (S)

With the opening of the war in Korea, Hilger's value jumped as both OPC and the State Department sought his views on matters pertaining to the Soviet Union. In one case, Hilger informed Frank Wisner in July 1950 that he expected the next Soviet aggressive move to take place in Iran, although he did not foresee an imminent conflict.[59]

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[57] [redacted], Deputy, Staff I, to Chief, Programs and Planning, "Dr. Gustav Hilger," 13 March 1950, (S), in Hilger, [redacted], DO Records. (S)

[58] [redacted] to CPP et al, "Biweekly Conference with Dr. Hilger," 5 May 1950, (S), in Hilger, [redacted] DO Records. (S)

[59] Unsigned, Memorandum to Chief, EE, "Certain Remarks by Karl H. Bergstrom and Arthur T. Latter on the Korean and World Situations," 20 July 1950, (S), in Hilger, [redacted], DO

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In a meeting with George Kennan in November 1950, Wisner raised the subject of Hilger's usefulness. Kennan, who had known Hilger in Moscow before the war, told Wisner that he believed the German to be an "honorable and decent individual."[60] As a result of this discussion, Wisner nominated Hilger for the new Office of National Estimates.[61] [redacted], chief of EE-4, seconded this proposal; in part, because "actually we have exhausted most all the topics on which Dr. Hilger is an authority over the past year and a half."[62] (S)

Wisner also took steps to legalize Hilger's presence in the United States. He wanted the DCI, in conjunction with the Attorney General and the Commissioner of the INS, to approve Hilger's admission to the country under Section 8 of the CIA Act of 1949.[63] The General Counsel's office recalled that the CIA had once deemed it "incompatible" for Hilger to seek permanent residency because he planned to return to Germany upon the restoration of civilian government.[64] DCI Walter Bedell Smith in May 1951 authorized Hilger and his wife to remain in the United States. Smith asked

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Records. The State Department sought Hilger's views on Stalin's comments on capitalist encirclement and the prosecution of revolution. See John Davies, Jr., to Mr. Joyce, "Hilger, Gustav," 3 August 1950, (S), in Hilger, [redacted], DO Records. See also [redacted], Chief, EE to ADPC, "Arthur T. Latter," 6 July 1950, (S), in DO Records, Job 78-01094R, Box 2, Folder 12, CIA ARC. (S)

[60]Unsigned, Memorandum for the Record, "Conversation with Mr. Kennan re: Panel of Consultants for National Estimates," 14 November 1950, (S), in Hilger, [redacted] DO Records. (S)

[61]Wisner to Dr. William L. Langer, Assistant Director of National Estimates, "Subject Who May Be of Interest to Dr. William Langer," 13 December 1950, (S), in Hilger, [redacted] DO Records. (S)

[62][redacted], Chief, EE-4, to Chief, EE, "Utilization of Dr. Hilger,"18 December 1950, (S), in Hilger, [redacted], DO Records. (S)

[63]Wisner to Security Officer, CIA, "Dr. and Mrs. Gustav Hilger," 19 March 1951, (S), in Hilger, [redacted], DO Records. (S)

[64]Lawrence R. Houston, CIA General Counsel, to Chief, Inspection and Security Branch, "Dr. Gustav Hilger," 26 April 1951, (S), in Hilger, [redacted], DO Records. (S)

that the Commissioner of Immigration and Naturalization present the CIA's application to the Attorney General.[65] In less than four months, the INS notified the Agency that Hilger and his wife were now permanent residents as of the date of their initial arrival at Westover Field in 1948.[66] (S)

Despite this new status, Hilger and his wife left the United States in late 1953 after the new West German Government offered him a substantial pension if he returned to work as an adviser for Soviet affairs.[67] According to one official, Hilger (under the pseudonym of Arthur T. Latter) "is leaving the US with great reluctance, since he has made many friends here and has enjoyed living here. He is also extremely grateful to KUBARK [CIA] for having looked after him so well for the last five years. He is willing and anxious to continue a liaison contact in Bonn after his return."[68] Hilger, indeed, maintained a steady relationship with American intelligence until his death in 1965.[69] (S)

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[65]Col. Sheffield Edwards, CIA Security Officer, to the DCI, "Gustav Hilger and Wife, Marie Hilger," 3 May 1951, (S); and DCI to Argyle R. Mackey, Commissioner of Immigration and Naturalization, "Gustav Hilger and Wife, Marie Hilger," 4 May 1951, JL-567, (S), both documents in Hilger, [redacted]

[66]Peyton Ford, Deputy Attorney General to the DCI, 23 August 1951, granting admittance to Hilger and his wife under Section 8; and W.F. Kelly, Assistant Commissioner, Enforcement Division, to DCI, 30 August 1951, noting that the INS had backdated Hilger's admission for permanent residency to 18 October 1948. See GAO Notes, Hilger file. (S)

[67]Peer de Silva for [redacted], Chief, SR Division, to DD/P, "Gustav Hilger," 8 October 1953, (C), in DO Records, [redacted], Box 12, Folder 11, CIA ARC. (C)

[68]Chief, EE, to Chief of Mission, Frankfurt, "Arthur T. Latter," undated [probably 1953], EGQ-W-11845, (S), in Hilger, [redacted], DO Records. (S)

[69]Hilger's presence in America later attracted some attention. The Jewish War Veterans of the USA, for example, protested to Attorney General Robert F. Kennedy in 1963 about Hilger's work for the Federal government. Col. Edwards responded to the Department of Justice and stated that Hilger "was not an employee nor a consultant of CIA at this time." As the Attorney General's Office knew, the CIA and the State Department had used Hilger "because of his wealth of information concerning the USSR." See Morton L. London, National Commander, Jewish War Veterans of the USA, to Robert F. Kennedy, Attorney General, 23 January 1963, in Hilger, [redacted], DO Records, and Sheffield Edwards, Director of Security to J. Walter Yeagley, Assistant Attorney General, Internal Security Division, "Gustav Hilger in Reference to

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The fact that the Office of Policy Coordination wanted Nicholas Poppe and Gustav Hilger as consultants and brought them to the United States for permanent residence is a significant step. It indicated that American intelligence had expanded its idea of what constituted insightful perspectives on the Soviet Union. German diplomats and Russian social scientists with Nazi records, in addition to German wartime intelligence officers and agents, were now regarded as valuable assets in the struggle against the Soviet Union. While the use of Poppe and Hilger turned out to be rather benign, OPC had other, more sinister plans to develop "secret armies" by utilizing émigré groups. Inevitably, these plans brought Wisner's OPC into greater contact with other collaborators of the Third Reich. (C)

Jewish Veterans of USA," 4 February 1963, (S), in GAO Notes, Hilger file. In August 1979, OSI requested information on the present residence of Hilger and his family from the CIA. After a search of various Agency components, the Agency reported no information as to where Hilger lived after he left the United States. See Jeffrey N. Mausner, Trial Attorney, OSI to [redacted], OGC, "Gustav Hilger," 20 July 1979, (C), and [redacted] to various components, "Nazi War Criminal Investigations–Gustav Hilger, aka Gus Hilger," 8 August 1979, OGC 79-07323, (C), in OGC Records, [redacted], Box 1, Folder 6, CIA ARC. Interestingly, responses from most CIA offices, including the Office of Security, claimed no information at all on Hilger. The DO simply reported no information about the current whereabouts of Hilger and his family. [redacted] Chief, Operations Group to [redacted], Chief, FPL Group, "Nazi War Criminals Investigation–Gustav Hilger, aka Gus Hilger," 30 August 1979, EIRS-0372/79, (S), in DO Records, [redacted], Box 1, Folder 2, CIA ARC. (S)

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NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

Chapter Eight

Cooperation Was an Unavoidable Evil (U)

The National Security Council's charter granted the Office of Policy Coordination considerable leeway to support anticommunist groups.[1] OPC's expansion brought it into contact with thousands of men and women throughout Europe. In particular, OPC's interest in black propaganda, paramilitary groups, and staybehind forces in the event of a third world war drove it to seek out Europeans with anticommunist credentials. If these same individuals also had military experience combined with knowledge of Eastern or Southeastern European geography, language, and culture, so much the better. Many of the people that OPC desired shared another common link: their anticommunism had led them to support the Nazis during the war. (U)

The ⊏ ⊐ Study (U)

By 1948, the Russian groups in Germany, from both the "old" and "new" emigration (that is those who fled after the Bolshevik Revolution or who came out of Russia during World War II) had reorganized from the tumult of the war and the Allied

[1]For an overview, see ⊏ ⊐, *Hearts and Minds: Three Case Studies of the CIA's Covert Support of American Anticommunist Groups in the Cold War, 1949-1967* (Washington, DC: Central Intelligence Agency, 1999), (S).

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repatriations. These groups and their various splinter organizations soon agitated for American support while biding their time in overcrowded DP camps. Almost all of the leaders had collaborated with the Germans during the war in one form or another. (U)

In early 1949, [redacted], a retired Foreign Service Officer now working for the Office of Policy Coordination, began a study of Russian emigre groups and their usefulness to American intelligence. Following many of the leads initially proposed by Wisner in SANACC 395, [redacted] in his paper, "Utilization of Russian Political Refugees in Germany and Austria," advocated the establishment of a Russian Welfare Committee. [redacted] envisioned that this committee would broadcast messages to the Soviet Union and its allies as well as support other propaganda efforts against the communists in Eastern Europe.[2] (S)

[redacted] ideas quickly found fertile soil in OPC and the State Department. By September 1949, OPC moved ahead with [redacted] proposal although doubts remained about the overall relationships of the new group with the State Department, OPC, and OPC's newly formed National Committee for a Free Europe.[3] In order to determine the extent of Russian anticommunist activity in Europe, [redacted] went to West Germany to survey the various emigre groups. Using his cover as [redacted]

[redacted] joined by Spencer

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2. [redacted], Clandestine Services Historical Series [redacted] A copy of [redacted] paper has not been located as its most likely repositories, Project [redacted] and [redacted] files, in DO Records, [redacted], Box 2, Folders 10 and 11, were destroyed in 1979. Project [redacted] sought to establish contact with, exploit, and direct the major Russian, anti-Soviet political groups that have as their objective the overthrow of the Soviet regime. Project [redacted] dealt with the formation of a Russian Welfare Committee. (S)

3. Ibid., pp. 5-2 through 5-3. The State Department authorized OPC to establish the Russian Welfare Committee on 13 September 1949. [redacted], in the meantime, worked with [redacted] and [redacted] to establish contact with Russian groups in Germany and US agencies there. (S)

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[redacted] and [redacted] prepared an extensive report on the Russian groups in 1950. This summary, and the recommendations offered by [redacted] and [redacted], formed the basis of OPC's overall dealings with these groups.[4] (S)

In their study, "Survey of the Russian Emigration," the OPC authors examined the major and minor Russian groups as well as some of the non-Russian groups, including Cossacks, Belorussians, and Ukrainians. Drawing upon support of Army officials in Germany (but interestingly not from the Office of Special Operations), the [redacted] Survey sought to "give a factual account of the origins, aims, and activities of the various political movements created, or revived, since the war [World War II] by the Russian emigration, indicating the chief personalities who have been active in the various movements and the present state of the several organizations."[5] (S)

The Vlasov Army (U)

The report focused on Gen. Andrey Vlasov who organized Russian resistance to Stalin after the German invasion of the Soviet Union in 1941. After recounting the

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[4]The [redacted] study, "Survey of Russian Emigration," is found in the Project QKACTIVE (Radio Liberation) files as DO Records, [redacted], Box 3, Folder 3, CIA ARC. Another copy is also available in DO Records, [redacted], Box 2, Folder 14, CIA ARC. [redacted] prepared this report for [redacted], the mobilization of Soviet refugees as an anticommunist force. Two other reports, "Survey of the Russian Emigration: [redacted] Report Based on Observations, Contacts, and Interviews in Germany and Austria in March-April 1950," and "Recommendations with Regard to the Utilization of the Russian Emigration," from 17 April 1950, have not been located. Another paper, "Supplement (Covering 1950-1951) to Survey of the Russian Emigration," dated December 1951, (S), is found in DO Records, [redacted] Box 3, Folder 4, CIA ARC. (S)

[5]Foreword to "Survey of the Russian Emigration." The study examined such Russian groups as the NTS, ODNR, ATSODNR, SAF, SVOD, SBONR, ROSS, RONDD, and VAZO as well as non-Russian groups composed of Cossacks, Byelorussians, Ukrainians (both Eastern and Western), and smaller nationalities. (S)

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lukewarm assistance that Vlasov received from the Nazis and the overall history of the Russian Liberation Army (ROA) and the Committee for the Liberation of the Peoples of Russia (KONR), formed in Prague in 1944, the American study offered several conclusions about the Vlasov movement. Despite Hitler's opposition to using Vlasov, ⊏ ⊐ and his group were impressed by the fact that thousands of Russians voluntarily joined his "army" in the last months of the war. Likewise, the Americans realized that Vlasov's presence on the battlefield spurred unrest within Soviet ranks until the final battle of Berlin in 1945. Lastly, ⊏ ⊐ noted the overwhelming anticommunist sentiment among the Vlasov supporters, many of whom had been fully indoctrinated in the Bolshevist teachings. "The transformation, in a short period of time and under extremely adverse conditions, of trusted Soviet workers into staunch anticommunists is a phenomenon of great significance," ⊏ ⊐ wrote.[6] (S)

OPC justified its support for Russian and other Eastern European groups on the basis of their anticommunist record during World War II. This record, of course, included varying degrees of collaboration with the Nazis and participation in the roundup and murder of the Jews on the part of some of the nationality groups. ⊏ ⊐ summarized OPC's view about the Russian liberation movement, with many of its leaders now in the American zone in Germany:

> The Vlasov movement never espoused German aims and objectives or Nazi ideology and consequently was never completely trusted by the Nazi leadership. The Vlasovites took up arms as political refugees with the aim of serving the Russian National cause and the intention of receiving German help without directly serving German purposes in so doing. They did not consider the formation of an anti-Soviet army under the Germans as collaboration. They had to resort to German

[6]Ibid., pp. 22-24. (S)

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assistance not because they loved the Germans or approved of their political system, but because it was to them the only possible means of achieving their objective–the overthrow of the communist dictatorship in Russia. Cooperation with the German Army was an unavoidable evil.[7] (S)

An Almost Instinctive Urge (U)

The [redacted] study hailed the "almost instinctive urge on the part of the Russian emigrants to consolidate their forces and establish an anticommunist center which would unite all emigrant groups." The Americans, [redacted] reported, had stymied this effort because US intelligence agencies in Germany had provided insufficient funds and only lukewarm support to the Russian emigre groups to date. Consequently, the Russian emigres in Germany had made only piecemeal and uncoordinated efforts against the Soviet Union. Likewise, the Russian emigration movement lacked any leader comparable to Vlasov (whom the Soviets executed in 1946) to unite the different factions.[8] To overcome these problems, [redacted] called for a Directing Center of the United Front, supported by American intelligence, to rally the Russians, who could then conduct covert propaganda work in addition to acting as a military reserve in the event of war.[9] (S)

[redacted] recommendations resulted in the establishment of an OPC front group, the American Committee for the Liberation of the Peoples of Russia, in 1951.[10] This

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[7]Ibid., p. 22. The Agency has a collection of primary material from World War II on the Vlasov Army obtained from the Berlin Documents Center in 1948. A brief description of this material in English and the documents themselves (in Russian) are found in Chief of Station, Karlsruhe to Chief, FBM, "Vlassov Documents," 23 April 1948, MGB-A-1669, (S), in DO Records, [redacted] Box 1, Folder 8, CIA ARC. (S)

[8][redacted] p. 6-2. (S)

[9]Ibid., pp. 6-2 through 6-3. (S)

[10]Ibid., pp. 7-1 through 7-5. (S)

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group of prominent Americans, formed by Frank Wisner, ostensibly promoted the ideals of democracy among refugees and exiles from the USSR. In reality, the group served as cover for OPC's relationship with the Russian emigre groups under Project QKACTIVE. This project, approved by OPC in September 1950, called for "the political organization and activation of the Russian emigration with a view to securing the cooperation of the peoples of Russia in the struggle of the Western democracies against the present rulers of Russia."[11] (S)

With [redacted] serving as political adviser and [redacted] as its acting principal agent, Project QKACTIVE sought to rally the Russians into a "United Front" organization. OPC, in turn, planned to use this group to funnel funds and resources to the various organizations within the front. In addition, Project QKACTIVE sought to establish an institute for Russian studies in Germany as well as to develop newspapers, radio broadcasts, and other propaganda tools. After many discussions and arguments over the formation, ideals, and membership of this "United Front," ten Russian and other nationality groups finally convened in Munich in October 1952 to form a Coordinating Center of Anti-Bolshevist Struggle (KTAB).[12] (S)

Veterans of the Vlasov movement and various minority groups that had previously been allied with the Nazis, such as the Georgians and North Caucasians, formed the core of the Coordinating Center.[13] While QKACTIVE failed in most of its

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[11]Project QKACTIVE (initially known as CINDERELLA) Project Outline Clearance Sheet, Project Number EE-53, approved 28 September 1950, (S), in DO Records, [redacted], Box 12, OPC Project Outlines microfilm, Reel 94, CIA ARC. (S)

[12]"History of Project QKACTIVE," 15 March 1953, pp. 1-19, (S), in DO Records, [redacted], Box 3, Folder 2, CIA ARC. (S)

[13]For membership of the Coordinating Center, see ibid., pp. 18-19; for a review of other nationality groups with German affiliations, see "Caucasian and Turkestani Émigré Activities 1945-1952," (S), in DO Records, [redacted]., Box 3, Folder 3, CIA ARC. (S)

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objectives, the project's radio work proved the most successful aspect of the entire plan.[14] Radio Liberation went on the air in March 1953 and quickly drew attention in the Soviet Union when it broke the news of Stalin's death.[15] The CIA continued to support the radio program (later renamed Radio Liberty) until 1974. (S)

NTS (U)

The Coordinating Center, however, failed to attract support from any of the major Ukrainian groups or the Russian solidarists, or groups that believed in a greater Russia. The lack of unity among all of the anticommunist groups proved to be fatal for the Coordinating Committee. OPC's work to bring the *Narodno-Trudovoy-Soyuz*, the National Labor Union or NTS, into the Center's fold, for example, is significant and illustrative in this regard. NTS represented the best organized Russian resistance movement in Western Europe, and, like virtually every Eastern European anticommunist group, had a long history of rightwing tendencies and was tainted by collaboration with the Third Reich.[16] (S)

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[14]The radio aspect of Project QKACTIVE grew more important because the political effort failed to unify the various groups. The British also undercut the Coordinating Center by supporting their own groups, which increased rivalry among the Russians and other nationalities for money and prestige. By August 1952, the CIA began to emphasize radio broadcasts and downplaying the emigre aspect of the project–a move confirmed by the President's Committee on International Information Activities (headed by William H. Jackson) in 1953. By this time, the Coordinating Committee had dissolved. [redacted]

[15][redacted] *The Central Intelligence Agency*, p. 123. (S)

[16]Like many pro-Nazi groups in Europe, the NTS tried to spread its own message while supporting the general principles of the Germans. Although the Germans had mixed feelings about groups such as the NTS and OUN, they still tolerated them and even promoted them as the Soviets pushed the Nazis out of Russia. See Steenberg, *Vlasov*, pp. 42-44 and 163-164. (S)

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[redacted] report summarized the history and philosophies of the NTS. According to [redacted] the NTS traced its roots back to a youth organization in the early 1930s. By 1933, the group took up its identity as the National Labor Union and molded its political program based on authoritarianism coupled with Russian expansionist ideals. The Germans drew from NTS members scattered throughout Europe, to act as interpreters and propagandists in their campaign against the Soviets during World War II. The NTS also supported the Vlasov movement and formed a cadre for German-sponsored Russian military units. Relations between the Nazis and the NTS nevertheless were unstable because of differences in political agendas and disagreements about defeating communism. While the Gestapo cracked down on the NTS in mid-1944 and arrested most of the leaders, the organization nevertheless survived the war. Indeed, the Germans continued to support the NTS in a limited manner until 1945.[17] (S)

The NTS thrived in the disarray of postwar Germany and soon controlled many of the Russian DP camps. By 1947, the NTS had established Russian-language schools and published three newspapers in the western zones of Germany. The organization actually increased its membership by providing false documentation for Vlasov Army veterans to protect them from forced repatriation. While the NTS suffered from internal divisions as well as from the worldwide dispersal of Russians from the DP camps after 1948, it still formed the largest single Russian anticommunist group in Western Europe.[18] (S)

The NTS attracted the CIA's attention because both the US Army and British intelligence had already provided some support to the group. While OPC could not persuade the NTS to join the Coordinating Center, it did launch a joint project, AESAURUS, with the Russians in early 1953. This project sought to promote and

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[17]"Survey of the Russian Emigration," pp. 31-34. (S)
[18]Ibid., pp. 34-36. (S)

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coordinate the training and dispatch of NTS agents into the Soviet Union, the dissemination of propaganda material to Soviet forces in East Germany, and NTS radio broadcasts to the homeland.[19] (S)

OPC's efforts with the NTS met with mixed results. The anticommunist group put some pressure on the Soviet regime, both internally and externally. NTS members also served as a hot war reserve in the event of a Soviet invasion. In retrospect, however, inadequate operational planning and poor security marred the CIA's relationship with the NTS.[20] (S)

The Will to Fight and the Will to Lead (U)

Not only did OPC organize emigre groups for both propaganda tools and operational purposes, Frank Wisner also launched a program to train Eastern Europeans for clandestine operations against the Soviet Union. Wisner approved ZRELOPE in late July 1950 because "the acceleration of extensive OPC operations in the Soviet Union and its satellites, and further pursuance of resistance activities elsewhere abroad require the utilization of strong numbers of specially-trained personnel native to the area concerned." OPC estimated that it needed to train some 2,000 personnel over the next year in such fields as political warfare operations, resistance operations, escape and evasion

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[19]The CIA's first contact with NTS, for example, started in 1950 when OPC supported a NTS anticommunist paper in Germany under Project QKDROOP. OPC expanded its contact with NTS in 1951 with airdrops in Soviet Union under Projects CACCOLA and AENOBLE. Project AESAURUS was formalized in January 1953. For further information, see "Transmittal of AESAURUS Report," 19 August 1953, EGMA-7379, (S), in DCI/HS Records, HS/CSG-2326, [redacted]. Box 2. CIA ARC, and [redacted] Clandestine Service Historical Series [redacted]

[20][redacted], pp. 170-194. (S)

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operations, communications, and "the will to fight and will to lead."[21] OPC's use of emigres coincided with mounting interest among the US government agencies to organize displaced persons into paramilitary formations.[22] (C)

Given the poor security environment in Germany (the Russian Intelligence Services had targeted virtually every emigre group there), OPC proposed to train these personnel in the United States. Prior to launching ZRELOPE, OPC formed a special task group to contact both Federal agencies and private individuals about the feasibility of this project. By November 1950, this group presented its report and recommended that OPC train a "diverse group" of foreigners in the United States for covert operations and establish a civilian cover committee "in order to sponsor trainees and disburse funds." The group also recommended that the DCI approve ZRELOPE and obtain similar approbation from the National Security Council (neither level of approval was mandatory for OPC projects at the time). In December 1950, OPC decided to initiate a pilot program with 100 trainees at a budgeted cost of[redacted][23] (C)

While OPC sought a suitable facility for ZRELOPE (it selected Grand Bahama Island in Florida after examining 70 sites), a number of unforeseen problems arose.[24] ZRELOPE, for example, suffered from splintered command and control within OPC. Whereas [redacted] headed up Task Group BOULDER (which formulated overall planning and delivery of the candidates to the United States), OPC's Eastern

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[21]Project Outline, "Project ZRELOPE," (C), DO Records, [redacted], Box 5, Folder 35, CIA ARC. (C)

[22]James Jay Carafano, "Mobilizing Europe's Stateless: America's Plan for a Cold War Army," in *Journal of Cold War Studies* (Spring 1999), pp. 61-85. (U)

[23]"Program to Train Foreign Agents in US," undated, (C), in DO Records, [redacted] Box 5, Folder 35, CIA ARC. (C)

[24][redacted] Chief, Plans Division/Paramilitary Branch, to Chief, Plans Division, "ZRELOPE–Current Negotiations for Training Facilities," 24 May 1951, (C), in DO Records, [redacted], Box 5, Folder 35, CIA ARC. (C)

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Europe Division (EE) ran the selection, recruitment, and clearing of ZRELOPE trainees. The Training Division (TRD), a joint OSO/OPC element, trained the candidates and provided for cover and security of the project and its personnel.[25] (C)

Project ZRELOPE had a grueling schedule. [redacted] chief of EE, told [redacted] in March 1951 that the Department of Defense required 1,000 graduates by June 1952.[26] To facilitate the selection of candidates, Frank Wisner informed the ADSO that same month that OPC needed to interview some four to five thousand candidates in Europe in order to fill the required 2,000 training slots. Wisner added, "as each candidate will require a field security investigation prior to final screening, a heavy burden will fall upon your field organizations, especially in Germany and Austria."[27] The project's haste naturally raised questions about the thoroughness of the background investigations of the selected recruits. (C)

[redacted] of EE traveled to Germany in May 1951 to review the progress of ZRELOPE and its subprojects, JBPLEDGE (recruitment of trainees) and KMKIMONO (recruitment of instructors).[28] OPC planned to draw from some 60 "guard companies," with approximately 200 men each, performing various housekeeping tasks at US Army garrisons throughout Germany. By May of 1951, [redacted] estimated that some 60 percent of the guard company members had already been canvassed and that

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25 [redacted] to ADPC, "ZRELOPE," 1 March 1951, (C), and [redacted] to ADPC, "ZRELOPE," 15 March 1951, (C), both in DO Records, [redacted], Box 5, Folder 35, CIA ARC. (C)

26 [redacted], Chief, EE, to Chief, TGBOULDER/SP, "Time Schedule for ZRELOPE Operation," 22 March 1951, (C); see also [redacted] to ADPC, "Time Schedule - ZRELOPE Operation," 26 March 1951, (C), both in DO Records, [redacted], Box 5, Folder 35, CIA ARC. (C)

27 Wisner to ADSO, "Field Security Investigation in Connection with Project ZRELOPE," 19 March 1951, (C), in DO Records, [redacted], Box 5, Folder 35, CIA ARC. (C)

28 [redacted] "Task Group Boulder–Informational Memorandum #4," 15 March 1951, (C), in DO Records, [redacted] Box 5, Folder 35, CIA ARC. (C)

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OPC had selected nearly 800 candidates. OPC had five case officers to do the screening, although a native Russian speaker handled the initial interviews and conducted the records checks. Candidates then traveled to Munich for psychological assessments. The actual recruitment occurred after the psychological assessment.[29] (C)

ZRELOPE's Problems (U)

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[29]Minutes of Meeting in "Field Situation re ZRELOPE and Estimate of Capabilities," 23 May 1951, (C), in DO Records, . [redacted] Box 5, Folder 35, CIA ARC. The CIA's use of European guard companies as holding areas for trained personnel in the event of war is discussed in a 6 February 1952 study, "Examination and Appreciation of Current CIA Systems and Mechanisms for the Promotion, Exploitation and Employment of Indigenous Europeans (USSR and/or USSR-Dominated) for CIA Purposes." See CIA History Staff Records, HS/CSG-1244, [redacted] Box 8, CIA ARC. In addition, the US Government planned to recruit escapees from "abandoned" areas of Eastern or Southern Europe under Public Law 165, the Mutual Security Act, or the so-called "Kersten Amendment." See US Congress., House, Committee on Foreign Affairs, *Staff Memorandum on Manpower Provisions of Mutual Security Act of 1951*, 82d Cong., 2d sess., 29 February 1952 in DO Records, [redacted], Box 2, Folder 3, CIA ARC. The US Government also had a number of other plans in mind, including a German Volunteer Freedom Corps, composed of former officers and enlisted men from the Wehrmacht, and Projects LCPROWL and KMHITHER. The latter project sought the recruitment of former German military personnel for various resistance activities. Project LCPROWL, authorized by Wisner in August 1950, used the German *Bund der Deutschen Jugend* as a source for a clandestine paramilitary resistance organization. The BDJ later became a source of embarrassment to the CIA when the West German Government uncovered its arms caches, training sites, and plans to eliminate political rivals in the event of war. Christopher Simpson considers that the BDJ affair "is a clear indication of just how little control US intelligence had over many of its farflung paramilitary operations and how carelessly it was willing to spend money." For further details on the German Volunteer Freedom Corps, see miscellaneous documents in CIA History Staff Records, HS/CSG-1075, [redacted], Box 7, CIA ARC. Project outlines, monthly project status reports, and other correspondence for KMHITHER and LCPROWL are found in DO Records, [redacted], Box 5, Folders 22 and 38, respectively, in CIA ARC. Another item of interest regarding the CIA's overall thinking about paramilitary units can be seen in [redacted] Memorandum 34, "Reflections on the Possibilities of Organizing Anticommunist Military Units from Defector Ranks," 29 March 1954, (S), in DO Records, [redacted] Box 2, Folder 23, CIA ARC. Quote about US paramilitary operations in Germany, see Simpson, *Blowback*, pp. 146-148. (S)

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Despite morale problems (the candidates did not want to leave their families in Germany), [redacted] presented an optimistic appraisal. "I believe," he noted, "they will turn up in time a sufficient number of likely candidates to produce 100 willing candidates that can be started moving to the states between September 1st and September 15th [1951]. In saying that, I believe that we will be able to procure the minimum number of personnel which they require, that the field security will be able to speed up the results of their security checks and that home security will do the same."[30] (C)

The security issue posed a serious problem, as [redacted] of TRD discovered in early 1951.[31] OPC, in looking for ZRELOPE candidates, sought individuals with experience in political and paramilitary action as well as with general knowledge of resistance and partisan warfare activities.[32] [redacted] responsible for TRD's security review of potential candidates, discovered two cases in which OPC had selected individuals with suspicious credentials to work as instructors. One had served as an

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[30]Minutes of Meeting in "Field Situation re ZRELOPE and Estimate of Capabilities," 23 May 1951, (C), in DO Records, [redacted], Box 5, Folder 35, CIA ARC. (S)

[31][redacted] was born in East Prussia in 1907 and immigrated to the United States with his family in 1923. He joined the US Army in 1942 and upon his commissioning as an officer, he transferred to OSS in 1944. He served as an officer with SI in London, Paris, and Wiesbaden until March 1946. In July of that year, [redacted] became the chief the Heidelberg Field Base until July 1947. He served as the head of the Karlsruhe Operations Base until his return to the US in August 1948. He was medically retired from the Army as a captain after contracting tuberculosis, but he remained as a civilian employee with the CIA until his retirement in 1968. [redacted]

[32]The CIA maintained an extensive collection of records on Project ZRELOPE in DO Records, [redacted], and [redacted], including lists of ZRELOPE candidates. These records were destroyed in March 1979 and February 1981, respectively. Some ZRELOPE records remain in DO Records, [redacted], Box 5, Folder 35, CIA ARC. Fortunately, microfiche index sheets to the destroyed files, including the names of ZRELOPE candidates, survive as [redacted] in DO/IMS, Central Files Branch. Using these names on the index sheets, one is able to review individual 201 files for information on the ZRELOPE candidates. (S)

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intelligence officer with the Germans during the "malodorous Tamara Operation" in the Caucasas, but had not undergone any significant investigation into his World War II background. According to [redacted], he also apparently worked with the Gehlen Organization.[33] (C)

Lt. Col. William R. Peers, an OSS veteran and Army officer serving as TRD's chief, found OPC's selection of ZRELOPE candidates to be less than adequate.[34] Peers told Wisner that "although the foreign division concerned will be responsible for the selection of the students, including the checking of their security and political affiliations, it is readily apparent that if these matters are not given full consideration and properly handled initially, the Training Division later may be faced with the situation of having numerous security problems on its hands which by that time it will be powerless to correct."[35] (C)

After great discussion and even greater expense, ZRELOPE proved to be a short-lived program.[36] It failed because OPC could not recruit and vet candidates to meet its goal of 2,000 trained resistance fighters. The paramilitary aspect of ZRELOPE (known as

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[33] [redacted] to Chief, TRD, "C.E. and Security Aspects, KMKIMONO - ZRELOPE," 21 February 1951, (C), in DO Records, [redacted], Box 5, Folder 35, CIA ARC. (C)

[34] William R. Peers was born in 1914 and attended the University of California at Los Angeles. Commissioned in the US Army in 1938, Peers joined the Coordinator of Information in 1941 and was assigned to OSS's Detachment 101 in the China-Burma-India Theater of Operations as its commander from December 1943 until its disbandment in July 1945. He transferred to the China Theater as the commanding officer of the OSS Southern Area until September 1945 and then became the Deputy Strategic Services Officer in the China Theater. Peers returned to the United States in December 1945 and returned to normal staff duties with the Army and later was an instructor at the Command and General Staff College. In July 1949, Peers was assigned to the CIA as the chief of the Training Division. He later held numerous command and staff assignments with the Army and commanded the 4th Infantry Division in Vietnam. (U)

[35] Peers to ADPC, "ZRELOPE," 1 March 1951, (C), in DO Records, [redacted] Box 5, Folder 35, CIA ARC. (C)

[36] For a review of the project, see the Monthly Project Status Reports for ZRELOPE and various subprojects in DO Records, [redacted], Box 5, Folder 35, CIA ARC. (C)

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ZRCORSET) was the first subproject to be discontinued because of a lack of recruits. In turn, CIA soon abandoned efforts to procure a "suitable" training area in the United States for the project. The political action element of ZRELOPE, or ZRDAMSEL, conducted a class in 1952 for a dozen-odd students at a hotel near Winchester, Virginia, utilizing the cover of the Franklin Development Foundation of Philadelphia. Despite plans to bring a new class to the training site, CIA canceled the entire program in November 1952. TRD estimated that the political action portion of ZRELOPE alone cost $30,000 per student–an incredible expense for little gain.[37] (S)

Hot War Cadre Programs (U)

Despite the disappointing results of ZRELOPE, CIA continued to believe it could fashion the emigres into a potent fighting force in the event of a Soviet invasion of Western Europe. Several CIA projects concentrated on the recruitment of foreigners for paramilitary or insertion training in the United States. Even as OPC dropped ZRELOPE, it expanded an earlier project, WSBAKERY. In January 1952, OPC (with OSO's consent) organized Project AEACRE, which called for the establishment of a Domestic

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37 ⊏ ⊐ Office of Training Series ⊏ ⊐ The history of the project and its various components is also discussed in ⊏ ⊐ Office of Training Series ⊏ ⊐ (S); and ⊏ ⊐ Clandestine Services Historical Series ⊏ ⊐

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Operations Base (DOB) near Washington, DC, that would allow the Agency to interrogate, assess, and prepare agents for dispatch into the Soviet Union.[38] (C)

Like ZRELOPE, AEACRE encountered problems in recruiting knowledgeable instructors as well as in finding suitable agent candidates.[39] This project, however, had no difficulties in the "black" entry and exit processing of agents thanks to the cooperation of the US Air Force and the INS. This aspect of CIA's covert training seems to have rarely posed a problem.[40] The majority of personnel trained at DOB participated in REDSOX missions.[41] These operations declined after the mid-1950s as CIA realized their futility, but the Soviet suppression of Hungary in 1956, however, rejuvenated DOB because the Joint Chiefs of Staff assigned new unconventional warfare tasks to the CIA.[42] (S)

AEACRE spawned a new project in 1956 as the CIA upgraded its "hot war" plans in anticipation of the need for a reserve body of trained agents. In late 1956, Project

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[38]"AEACRE Basic Plan," 10 December 1951, (C), and Joint Memorandum to DD/P, "Project AEACRE, Amendment No. 1," 25 March 1952, (C), in DO Records, [redacted], Box 3, Folder 13, CIA ARC. Monthly Project Status Reports for AEACRE, WSBAKERY, and other subprojects are also included. (C)

[39]A description of the problems encountered with Project AEACRE can be found in [redacted] Clandestine Services Historical Series, [redacted] (S)

[40]ZRELOPE had a subproject, [redacted], to handle the covert air transportation of its candidates. Responsibility for airlift was transferred from ZRELOPE to EE/AM on 30 September 1952. [redacted]

[41]See Winston M. Scott, Chief, Inspection and Review to DD/P, "Inspection of AEACRE in 1953," 2 October 1953, (S), in DO Records, [redacted], Box 14, Folder 1, CIA ARC. (S)

[42][redacted] pp. 16-20. (S)

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AEREADY came into existence to build up a force of personnel, native to various target areas of Eastern Europe, the Soviet Union, and the Middle East, who possessed area knowledge, language skills, and paramilitary training. Following basic training under CIA auspices, these agents returned home to their civilian jobs and held themselves ready for emergency callup and annual refresher training. Unlike either ZRELOPE or AEACRE, AEREADY did not require overseas recruitment or transportation to the United States. Rather, the new project identified these specialized individuals from INS rosters of immigrants and displaced persons already in America. AEREADY, however, also suffered from a lack of suitable personnel. After extensive nationwide searches, CIA ended up assessing 27 candidates for each successful agent that completed training. Members of the US armed forces with foreign language skills provided the initial cadre of AEREADY trainees.[43] (S)

The Army provided cover for Project AEREADY at Fort Meade, Maryland, where it established Material Testing Unit No. 1. Similar units were also organized for specialized training at Army posts in North Carolina, Virginia, and New York.[44] By 1961, AEREADY (known as AEDEPOT after 1958) had produced a pool of 63 reserve agents from 13 ethnic groups. Ukrainians formed the largest single body of agents with 17 personnel, followed by Russians, Latvians, and Lithuanians.[45] CIA integrated teams

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43 ⊏ ⊐ Clandestine Services Histories Series ⊏ ⊐

44 ⊏ ⊐. Yury Lopatinsky, one of the main ZPUHVR leaders in the American zone in Germany, later trained at AEACRE and served as a "spotter" for Project AEREADY. In addition to his service as an officer in the Ukrainian Nachtigall Legion, the Germans dispatched Lopatinsky by aircraft into the Ukraine to establish contact with the OUN in December 1944. He made his way back to the American Zone of Western Germany one year later and claimed to be a lieutenant colonel in the UPA. Yury Lopatinsky, ⊏ ⊐, DO Records. (S)

45 ⊏ ⊐ pp. 32-33. (U)

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of AEDEPOT personnel into various military training exercises, both in the United States and in Europe. (S)

The need to maintain a reserve cadre of European agents, however, diminished in the 1960s as the threat of Soviet invasion of Europe receded. In its place, communist insurgencies in Latin America and Southeast Asia posed new challenges that prompted CIA to reconsider its reserve hot war program. In 1966, the Agency deactivated WUDEPOT (as AEACRE and AEDEPOT had been redesignated two years earlier). While a handful of the reserve agents served in Latin America and Vietnam, the cancellation of WUDEPOT effectively ended the CIA's paramilitary training of Eastern Europe emigres.[46] (S)

In the sixteen years that followed OPC's Project ZRELOPE, the Central Intelligence Agency had contacts with thousands of Europeans from all backgrounds concerning paramilitary training. While a number of these individuals had proven both their anti-Nazi and anticommunist ideals (such as the Polish and Czech contract employees who flew air missions behind the Iron Curtain), the bulk of the CIA's resistance candidates and trained agents came from other areas of Eastern Europe where collaboration with the Nazis tended to be regarded as a positive sign of anticommunism.[47] (S)

Altogether, OPC's efforts to use emigre groups and to organize "secret armies" failed. None of these efforts had much impact on the Cold War, at least, in terms of

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[46]Ibid, pp. 34-46. (U)

[47]For a review of the Polish pilots and crewmen of the 1045th Operational Evaluation and Training Group (OETG) who flew missions in Europe and later in Central America, see "Personal Characteristics, Motivation, and Reliability, of the [deleted] Group," 1 June 1960, (S), and 11 April 1961 Supplement in CIA History Staff Records, HS/CSG-818, [redacted], Box 5, CIA ARC. (S)

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defeating Soviet communism. The Agency's operations resulted from the belief in the likelihood of war in Europe and the need to be prepared for a Soviet invasion of western Germany and other states. Consequently, the CIA approached these projects with a "can do" attitude where time was of the essence. As it turned out, war did not break out in Europe and, after a more reflective examination, the Agency dropped most of its "hot war" projects and reduced its levels of involvement with the various emigre organizations. But the impact caused by the Agency's almost overnight entry into covert action and paramilitary affairs lingered for decades. (C)

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NAZI WAR CRIMES DISCLOSURE ACT
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Chapter Nine

America's Seeing-Eye Dog on a Long Leash (U)

In 1949, just as the Office of Special Operations began to use emigre groups (such as the ZPUHVR) and the Office of Policy Coordination entered into covert action, the CIA assumed responsibility for the nascent West German intelligence service.[1] More than any single project, this action linked the Central Intelligence Agency with veterans of Nazi Germany's intelligence services, some with notorious wartime reputations.[2] The Agency, however, reached this decision only after a long-running debate with the US Army about the wisdom of supporting a resurrected German General Staff and a quasi-independent national intelligence organization.[3] (U)

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[1]Portions of this chapter appear in condensed form in Ruffner, "A Controversial Liaison Relationship: American Intelligence and the Gehlen Organization, 1945-49," (now declassified), *Studies in Intelligence* 41 (1997), pp. 69-84. In addition, many of the documents discussed in this chapter are found in Ruffner, ed., *Forging an Intelligence Partnership: CIA and the Origins of the BND, 1945-49*, 2 vols. (Washington, DC: Central Intelligence Agency, 1999). (now declassified) (U)

[2]For a somewhat radical view regarding the CIA's link with the West German intelligence service, see Carl Oglesby, "Reinhard Gehlen: The Secret Treaty of Fort Hunt," *Covert Action Information Bulletin* (Fall 1990), pp. 8-14. (U)

[3]For an "open" history of the American relationship with the German intelligence service after World War II, see Mary Ellen Reese, *General Reinhard Gehlen: The CIA Connection* (Fairfax: George Mason University Press, 1990). Other books, of varying degrees of reliability, include E.H. Cookridge (nom de plume for Edward Spiro), *Gehlen: Spy of the Century* (London: Hodder and Stoughton, 1971); Heinz Hohne and Hermann Zolling, *Network: The Truth about General Gehlen and His Spy Ring*, trans. by Richard Barry (London: Secker and Warburg, 1972); and lastly, Reinhard Gehlen, *The Service: The Memoirs of General Reinhard Gehlen*, trans. by David

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Gehlen's Saga (U)

The story behind the CIA's involvement with the Gehlen Organization actually started during the final hours of World War II. With the Soviets fighting in the streets of Berlin and the British and Americans racing across the shell of the Third Reich in the spring of 1945, many German officials realized the desperation of their cause. Reinhard Gehlen, the former chief of the German Army's intelligence branch dealing with the Eastern Front and Soviet forces, planned to survive Hitler's *Gotterdammerung* as the Third Reich crumbled in the spring of 1945. Like most Germans, Gehlen preferred surrender to the Western Allies as opposed to an uncertain fate at Russian hands. (U)

Born in 1902, Gehlen entered the Reichswehr, the Weimar Republic's small army, shortly after the end of the World War I. He joined the General Staff as a captain in 1936. During the invasion of Poland three years later, he served as a staff officer in an infantry division, where his organizational planning and staff work attracted the attention of senior officers. By mid-1942, Gehlen took charge of the German Army High Command's *Fremde Heer Ost* (FHO or Foreign Armies East), with responsibility for preparing intelligence assessments on the Soviet Union. Gehlen's work in this position eventually incurred Hitler's wrath, and he rejected Gehlen's pessimistic reports about the strength and capabilities of the Soviet Army. Hitler summarily dismissed Gehlen, now *Generalmajor*, in April 1945. (U)

Irving (New York: World Publishing, 1972). A draft manuscript (June 1996) by James H. Critchfield, entitled *Germany: From Enemy to Ally 1946-1956*, promises to add significantly to the literature on this topic. (U)

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Gehlen did not leave Berlin emptyhanded. He knew that the FHO contained some of the most important files in the Third Reich and that the possession of these records offered the best means of survival in the post-Hitler period. As the Soviets drew closer to Berlin, Gehlen dispersed his staff and transferred the FHO's intelligence files from the capital to secret locations in Bavaria. There, Gehlen and his handpicked officers waited to surrender to American forces. Gehlen believed that the Western Allies and the Soviet Union, while wartime allies, would soon become peacetime rivals. With his knowledge about the Russians, combined with the FHO's collective resources, Gehlen felt he could influence relations between East and West and Germany's role in postwar Europe. (U)

On the Lookout (U)

Even before Germany's capitulation, Allied forces were on the lookout for German intelligence officers and enlisted men. Indeed, as the Americans looked for Gehlen, he tried to find an American unit in order to surrender. After a circuitous route, the US Army finally delivered Gehlen and his men to the Twelfth Army Group Interrogation Center near Wiesbaden in June 1945. Interned at the "Generals' House," Gehlen reassembled his staff and files under the overall direction of Army Capt. John R. Boker, Jr. (U)

Boker, who had previously interrogated other German officers and Vlasov Army members, expressed his feelings as he started his interrogation of General Gehlen. "It was also clear to me by April 1945 that the military and political situation would not only give the Russians control over all of Eastern Europe and the Balkans but that, as a result of that situation, we would have an indefinite period of military occupation and a frontier

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contiguous with them."[4] Thanks to his interrogation of German officers who had fought on the Eastern Front, Boker quickly became the Twelfth Army Group's resident expert on the Soviets. (S)

Gathering Gehlen's staff and records required some subterfuge on Boker's part. He was aware, from previous experience, that "there existed in many American quarters a terrible opposition to gathering any information concerning our Soviet Allies." He did, however, gain the support of Brig. Gen. Edwin L. Sibert, G-2 for the Twelfth Army Group and later head of intelligence for USFET, to employ the former FHO staff members to produce reports on the Soviets.[5] Gehlen also wanted Boker to establish contact with some of his frontline organizational elements, such as *Oberstleutnant* Herman Baun, who commanded *Stab Walli I*, which conducted espionage work against the Soviets using Russian defectors and provided raw intelligence to Gehlen's FHO.[6] Gehlen insisted that he had access to still-existent agent networks in the Soviet Union through Baun's sources. (S)

Army headquarters in Washington learned about Gehlen's activities at Wiesbaden and, after some debate, Boker received orders to bring the German group to the United States. Army G-2's primary interest, however, centered on the retrieval and

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[4]Boker's account of his role during 1945-46 is found in John R. Boker, Jr., "Report of Initial Contacts with General Gehlen's Organization," 1 May 1952, in DO Records, [redacted] Box 2, Folder 2, CIA ARC. (S)

[5]A general history of this early period is found in Chief, EE to EE/G, "History of the Gehlen Intelligence Organization," 28 March 1960, (S), enclosing [redacted], "History of the Gehlen Intelligence Organization," September 1953, DO Records, [redacted], Box 1, Folder 5, CIA ARC (hereafter cited as "Gehlen History"). [redacted], Clandestine Services Historical Series [redacted]

[6]Further details about *Stab Walli* are found in Baun's interrogation in Counter Intelligence War Room London, Situation Report No. 154, "Leitstelle - I OST (Walli), 15 January 1946, (S), in Herman Baun, [redacted] DO Records. (S)

analysis of the FHO records, not in its personnel. Boker, who had become quite attached to his project, resented losing control of Gehlen and his staff after their secret departure for Washington on 21 August 1945. Placed as virtual prisoners in a classified building at Fort Hunt, Virginia, (known simply as P.O. Box 1142), the Army planned to use Gehlen in conjunction with a larger project being conducted at Camp Ritchie, Maryland, to compile a history of the German army on the Eastern Front. (S)

Through Boker's efforts (he had accompanied Gehlen's group to the United States), and officers at the Eastern European Order of Battle Branch at the Pentagon, the situation for the Germans gradually improved. The BOLERO Group, as Gehlen's team became known, served under the direction of Army Capt. Eric Waldman until its return to Germany in June 1946. Gehlen's men prepared reports based on German records , and the general himself also had access to and commented on American intelligence reports. (S)

OSS and SSU Kept in the Dark (S)

The Office of Strategic Services played little role in the interrogations of Gehlen and his staff in Germany and in Washington. In the throes of dissolution during the fall of 1945, OSS declined the Army's invitation to employ Baun in Germany. The new Strategic Services Unit also expressed some reluctance about using the German FHO for American intelligence purposes.[7] SSU, however, did try to determine the nature of the relationship between Gehlen and Army intelligence. On 25 October 1945, Crosby Lewis in Germany informed Winston N. Scott in London:

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[7]Col. W.W. Quinn to Col. Galloway, "Operation Rusty," 5 December 1946, (S), in DO Records, [redacted], Box 5, Folder 9, CIA ARC. (S)

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> For your information only, Baun and a group of other members of Fremde Heere Ost, experts in the GIS on espionage against the Russians, are being collected by two officers of the G-2 section, USFET, who are responsible only to Gen. Sibert. It appears likely that Sibert got an OK from Washington on this when he was in the US last month, at which time it appeared that OSS might fold up. Von Gehlen and several high-ranking staff officers who operated for Fremde Heere Ost and for some of the Army Group staff on the Eastern Front during the war have been flown to the US–all this without any contact with the OSS here.[8] (S)

In November 1945, Lewis responded to a request by Gen. Sibert that SSU take over Baun's operation from the Army. After reviewing Baun's plans, Lewis rejected them outright, calling them "rather grandiose and vague suggestions for the formation of either a European or worldwide intelligence service to be set up on the basis of wartime connections of *Oberst* Baun and his colleagues, the ultimate target of which was to be the Soviet Union." Lewis found a number of shortcomings with Baun's employment, including cost, control, and overall poor security measures. The fact that the Russians wanted to question Baun and Gehlen, as well as other German intelligence figures, did not sit well with Lewis.[9] (S)

In early January 1946, SSU in Germany reported to Headquarters what it had learned "through discreet inquiries" about the Army's activities. SSU described the flight of Gehlen and his FHO staff from Berlin and their activities with the Americans. The report also stated that Gehlen had recommended that Herman Baun be contacted to

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[8]Crosby Lewis to Winston M. Scott, 25 October 1945 (S), in Baun, [redacted] DO Records. See also Scott to Lewis, 30 October 1945, (S), in Baun [redacted] DO Records. (S)

[9]"Gehlen History," pp. 14-15 (S). SSU's objections to takeover in 1945 are outlined in Lewis to Col. Galloway, "KEYSTONE Operation," 22 September 1946, (S), in DO Records, [redacted] Box 36, Folder 8, CIA ARC. A copy of this same memorandum with an attachment is also located in DO Records, [redacted], Box 3, Folder 1, CIA ARC. (S)

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provide further information about the Soviets while the general worked in the United States. Baun, in fact, had been arrested by the 80th CIC Detachment as a "mandatory arrestee" (members of Nazi party organizations and high-ranking German Army and SS officers were subject to immediate apprehension by the Allies) in late July 1945 and interrogated at the Third Army Interrogation Center the following month. The announcement of his arrest and the distribution of Baun's Preliminary Investigation Report raised great concern at Army G-2 because the Soviets now demanded the extradition of both Baun and Gehlen.[10] (C)

While the Army refused to accede to the Soviet demands, it secluded Baun and several other FHO personnel at the Military Intelligence Service Center (MISC) at Oberursel on the outskirts of Frankfurt (also known as Camp King and later officially designated the 7700th European Command Interrogation Center). The small group, including Gerhard Wessel, who had succeeded Gehlen as the head of FHO in 1945, was quartered at the "Blue House," where Baun developed his plans to launch a full-scale intelligence organization. The Army's G-2 planned to use Baun to resurrect his *Abwehr* network against the Soviets, but SSU "advised them [the US Army] to interrogate Baun at length and have nothing to do with his schemes for further intelligence activity."[11] (S)

Meanwhile, SSU's Bill Holtsman in Munich had interrogated another officer of *Stab Walli, Oberst* Heinz Schmalschlager, about German intelligence activities against the Russians. SSU, in fact, considered Schmalschlager more valuable than Baun.[12]

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[10]Preliminary Interrogation Report, 16 August 1945, (C), in Baun, [redacted] DO Records. (S)

[11]SAINT, AMZON to SAINT, "Russian Experts of German Intelligence Service," 8 January 1946 (S), in Baun, [redacted] DO Records. (S)

[12]SAINT, AMZON to SAINT, "Russian Experts of German Intelligence Service," 8 January 1946, (S), and untitled note to "Reg Phelps," in Baun, [redacted], in DO Records. (S)

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Despite SSU's advice that the Army dismiss Baun and reduce its reliance on FHO-derived intelligence, the opposite took place. Baun continued to operate and even thrived under US Army auspices. In January 1946, he established a service to monitor Soviet radio transmissions in the Russian zone and, two months later, the Army authorized him to conduct both positive and counterintelligence activities within Germany.[13] (S)

Operation RUSTY (U)

In the summer of 1946, the Army returned Gen. Gehlen and the remaining FHO members to Germany. At this point, Lt. Col. John R. Deane, Jr., the operations officer at the Military Intelligence Service Center published his plans to merge Gehlen's BOLERO group with Baun's already existent staff, known as KEYSTONE. Gehlen would coordinate the functions of both elements of the German organization while he had direct responsibility for the Intelligence Group, which provided evaluations to economic, military, and political reports obtained by agents of Baun's Information Group.[14] The Army designated the entire organization Operation RUSTY, under the overall supervision of Col. Russell Philp, Lt. Col. John R. Deane, Jr., and Capt. Eric Waldman, who preceded Gehlen's return to Germany from Washington.[15] (S)

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[13]"Gehlen History," pp. 15-16. (S)

[14]For a roster of the Intelligence Group (also known as the Evaluation Group) and the Information Group, see "Gehlen History," pp. 21-22. Gustav Hilger, for example, is listed as a member of Baun's Information Group. (S)

[15]Lt. Col. John R. Deane, Jr., Operations Officer, USFET MISC, to G-2, USFET, "Plan for the Inclusion of the BOLERO Group in Operation RUSTY," 2 July 1946, (S), in DO Records, [redacted] Box 2, Folder 2, CIA ARC. The operation is variously described as gaining its designation from either a nickname given to Deane's young son or that given to Col. Russell Philp, commanding officer at "Basket," the secure facility at Blue House. See Reese, *General Reinhard Gehlen*, p. 207, and Chief of Station, Karlsruhe to Chief, FBM, "Bi-Weekly Letter," 4 December 1948, MGM-A-859, (S), in DO Records, [redacted] Box 5, Folder 9, CIA ARC.

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The Army planned to provide Operation RUSTY with US intelligence reports for comments and insight. Gehlen's Evaluation Reports, Deane expected, "will be of great value to the G-2 Division in that they will furnish the closest thing to finished intelligence that can be obtained from sources other than US."[16] Deane's optimistic outlook indeed spurred the Army to submit more requests to Operation RUSTY, and Baun quickly expanded his collection efforts to meet the Army's insatiable appetite for information on the new threat in Europe. By October 1946, Gehlen and Baun claimed to have some 600 agents operating throughout the Soviet zone of Germany, providing the bulk of intelligence on the Russian Order of Battle.[17] (S)

As the Army increased its demands on Operation RUSTY, the group was transformed from a select group of German General Staff officers to a larger group that suffered from poor cohesion and mixed allegiances. In addition to covering eastern Germany, Operation RUSTY took on new missions in Austria and other areas of Europe as well as broadened earlier wartime contacts with emigre groups in Germany and with members of the Vlasov Army.[18] The few American officers assigned to the Blue House

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[redacted] states emphatically that Operation RUSTY gained its name from Deane's son, [redacted]

[16]Deane to G-2, USFET, 2 July 1946; for a copy of one Evaluation Report, see Evaluation Report No. 2, Operation RUSTY, "Political and Military Training of German PWs in USSR for Commitment in Germany," 27 September 1946, (S), in DO Records, [redacted] Box 1, Folder 5, CIA ARC. This Evaluation Report was prepared in response to a May 1946 US Army request that the Gehlen Organization report Soviet efforts to form a new German army. This same folder also contains numerous Intelligence Reports produced by Operation RUSTY in 1946. (S)

[17]Lt. Col. J.L. Collins, Chief, Information Section, to Chief, Intelligence Branch, "Operation Rusty," 24 September 1946, (S), in DO Records, [redacted] Box 6, Folder 15, CIA ARC. (S)

[18]White Russian General Pictr Glazenap acted as the point of contact between the Germans and the Vlasov veterans. Glazenap exploited this position and American subsidies to build up his own emigre movement, the SAF, which later created problems for OPC's efforts to rally the divergent anticommunist groups into a central group. See Carmel Offie to Wisner, "General Pictr

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barely knew the identities of RUSTY agents, thus making it difficult to confirm the validity of German reporting. Baun's recruiting and training of his agents proved haphazard while their motivation also raised questions. Throughout the Western Allied zones of Germany, men and women openly claimed to be working for American intelligence, leading to many security breaches and undermining RUSTY's overall effectiveness. To make matters worse, the US Army also assisted RUSTY's agents to avoid the established denazification procedures in Germany.[19] (S)

As early as November 1946, [redacted] in Munich complained to CIG headquarters in Heidleberg that the Gehlen Organization was busy at work in the Munich area seeking new agents.[20] [redacted] told Henry Hecksher that "most of the recruited

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Glazenap," 24 January 1949, (S), enclosing [redacted] "Is the US Using Genl. Glazenap," 25 December 1948, in Hilger, [redacted] DO Records. (S)

[19]For a description of many of these problems, see "Gehlen History," pp. 24-29, 34. Examples of SSU and CIG reporting about RUSTY's security problems are numerous and can be seen in Hans L. Marchand to Chief. IB. "Agent Net Operating in the Bamberg Vicinity," 17 September 1946; [redacted] to [redacted], "American Intelligence Network," 18 March 1947, enclosing "American Intelligence Network," 25 January 1947; and various intelligence reports about Operation KEYSTONE from CIG's various agents in Munich in 1947. All of these documents are located in DO Records, [redacted], Box 5, Folder 8, CIA ARC. (S)

[20]Among the Gehlen Organization's agents, Horst Paul Issel came to the new service with a [illegible]ious wartime reputation. Born in Berlin in 1912, Issel served in the RSHA headquarters in Berlin and later in occupied Denmark. SS *Obersturmfuehrer* Otto Alexander Friedrich Schwerdt formed a SS *Sonderkommando* unit in Denmark, known as the "Peter Unit," in December 1943. Issel joined the unit in the summer of 1944 and commanded it by the end of the year. The unit, a gang of SS men and Danish collaborators, committed the infamous "clearing murders" in Denmark during the last year of the war. According to Danish officials after the war, the Germans pinpointed specific Danes for execution to wipe out the Danish resistance and to terrorize the civilian population. All told, the Germans conducted some 267 acts of retaliatory murder or sabotage, including the death of Kaj Munk, a well-known Danish poet and minister. At Nuremberg, the International Military Tribunal found the "clearing murders" in Denmark to be a "Himmler-conceived and Hitler-ordered form of reprisal, in which innocent persons were assassinated by their captors as a method of rule by terror." Issel escaped from Denmark in the last days of the war and ended up in the Gehlen Organization. The British arrested him in Berlin in early 1949 and, despite an appeal from the Gehlen Organization for his release, the US Army refused to help Issel. The Army, in fact, denied that Issel was a member of the Gehlen Organization and by the time that it realized its error, the British had turned over Issel to the

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people have till now been acting as subsources for either us or CIC, but now their informant days are over because they have 'at last contacted top American intelligence which has a lot of money.'" The Army's Counter Intelligence Corps, it appeared, was helpless, "because they are afraid of interfering with work of the 'higher Headquarters.'[21] (S)

Hecksher, in turn, reported to CIG's contact at Army headquarters about the state of affairs. "In line with our standing complaint that talent scouts working for 'Operation Rusty' in the Munich area are cornering the market by offering monetary incentives far out of proportion to the potential intelligence yield they can expect," Hecksher stated, "we are passing on to you the well-substantiated account." While Hecksher observed that "we are not directly affected by this practice inasmuch as we try to recruit our agents from circles less susceptible to the lure of exorbitant rewards. Hardest hit, so far," the CIG counterintelligence officer commented, "has been CIC, Munich. At the same time, we on

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Danes. The Danish Government tried Issel and sentenced him to death for war crimes. The Military Government's Office of the Director of Intelligence in Berlin expressed its dissatisfaction with the Issel case in a note to the Army officials responsible for the Gehlen Organization. "It is strongly recommended that increased effort on your part be made to complete your central file of agents," wrote the Deputy Director. "The Issel case can be used as a warning to those who are reluctant to submit names to your central file, because it must be emphasized that no effort will be made to protect them if they cannot be identified as working for a US agency." Army headquarters furthermore declared that "it will also prevent statements as follows, allegedly said by one of your agents to the British who arrested Issel: 'if the SOB Americans won't protect us, we won't work for them.'" See Deputy Director, Intelligence Division to Commanding Officer, 7821 Composite Group, "List of Agents," 15 March 1949, 350.09 (GID/OPS/IS), (S), in Horst Paul Issel, [redacted] DO Records. See also Whitney R. Harris, *Tyranny on Trial: The Trial of the Major German War Criminals at the End of World War II at Nuremberg, Germany, 1945-1946* (Dallas: Southern Methodist University Press, 1954, rev. ed., 1999), pp. 216-219. (S)

[21] AB-51 [Hecksher] to [redacted], "Operation RUSTY (KEYSTONE)," 2 December 1946, MGH-009-1202, (S), enclosing [redacted] to AB-51 [Hecksher], "Recruitment of Agents in the Munich Area," 26 November 1946, MSC/Memo/080, (S), in DO Records, [redacted] Box 50, Folder 4, CIA ARC. (S)

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principle regret to see an inflationary spiral set off in rewarding agents and informants."[22] (S)

The situation had only grown worse by 1948 when Hecksher reported that RUSTY "took over some of the informants dropped by Munich Operations Base after it had been conclusively established that the intelligence they furnished was of no value whatsoever."[23] The Army's Counter Intelligence Corps and the Military Intelligence Service also picked up agents when they had been dropped by SSU or CIG. As early as December 1946, Headquarters told OSO's Security Control in Germany that "we believe our best policy would be to steer clear of it and let such agents and informers who are being lured away by higher inducements, go their merry way. It seems a shame that anyone is willing to pay so much for very low grade and mostly unverifiable information."[24] (S)

The Army Pitches RUSTY to CIG (U)

Operation RUSTY turned out to be an expensive project and, by mid-1946, Army G-2 found itself running out of funds. The Army once again tried to persuade SSU to take over the operation following Gehlen's return to Germany. On a tour of SSU installations in Germany, Col. William W. Quinn conferred with Gen. Sibert and Crosby Lewis, now SSU chief in Germany, about the Army's proposal. Lewis repeated many of

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[22]Ibid. (S)

[23]Hecksher to Helms, "Operation RUSTY," 18 March 1948, (S), in DO Records, [redacted], Box 5, Folder 8, CIA ARC. (S)

[24]SC, FBM to SC, AMZON, "Operation RUSTY," 27 January 1947, X-9213, (S), in DO Records, [redacted], Box 6, Folder 128, CIA ARC. A copy of this same memo is found in DO Records, [redacted], Box 5, Folder 168, CIA ARC. (S)

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his objections that he had made earlier in the fall of 1945, and he suggested that SSU make a "thorough study" prior to any decision by Headquarters.[25] In early September 1946, Lewis specified in writing to Gen. Sibert the conditions under which SSU would be prepared to assume responsibility for Gehlen, emphasizing the need for US intelligence to have complete access to all German records and identities of leading personalities and agents for initial vetting.[26] In his review in the fall of 1946, Lewis summarized his thoughts:

> It is my opinion that SSU AMZON should be given complete control of the operation and that all current activities of this group be immediately stopped before further security breaches nullify the future usefulness of any of the members of the group. I further recommend that an exhaustive study be made along CE lines of the entire operation, past and present, so that at least, if it appears that the group is too insecure to continue an operation, the wealth of intelligence which is contained in the minds of the various participants as regards Russia, Russian intelligence techniques, and methods of operation against the Russians, could be extracted. In conclusion, however, it is most essential that if a final decision is made to exploit these individuals either singly or as a group, SSU understands that their employment in the past and their exploitation in the future constitutes to a greater or less degree the setting up of an incipient German intelligence service.[27] (S)

A Crown Jewel Proposal (U)

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[25]Lewis to Galloway, "KEYSTONE Operation," 22 September 1946, (S), in DO Records, [redacted], Box 36, Folder 8, CIA ARC. See also undated, unclassified summary of Lewis's cables to Washington in 1946 in DO Records, [redacted], Box 5, Folder 9, CIA ARC. (S)

[26]Lewis to Sibert, "Operation KEYSTONE," 6 September 1946, (S), in DO Records, [redacted] Box 2, Folder 2, CIA ARC. A declassified copy of this same memorandum also appears in RG 226, OSS Records, WASH-REG-INT-41, Entry 178, Box 4, Folder 39, NARA. (S)

[27]Lewis to Galloway, "KEYSTONE Operation," 22 September 1946, (S), in DO Records, [redacted] Box 36, Folder 8, CIA ARC. (S)

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In addition to the Army's efforts to get SSU to take over the Gehlen Organization, Crosby Lewis was buffeted by other proposals to employ former Nazis. In October 1946, he went to Switzerland to meet with Paul Blum and Henry Hyde, the former commander of the Seventh Army's SI detachment and Blum's predecessor as chief of mission in Switzerland.[28] The three Americans met Eddy Waetjen, a former German *Abwehr* officer and one of Dulles's Crown Jewels. Waetjen told the Americans about his discussions in Washington with Col. Quinn. According to Waetjen, he spoke with Quinn about three projects to gain further insights into happenings in the Soviet zone of Germany.[29] (S)

The first project involved US support to the Eugen Gerstenmaier's *Hilfswerk der Evangelische Kirche in Deutschland* (HEKD), the welfare agency of the Lutheran Church in Germany with ties to the east.[30] Secondly, Waetjen advocated the expansion of the interrogations of German prisoners of war returning from Russian camps. Thirdly, and

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[28]Lewis to Blum, 22 September 1946, L-002-922, (S), in WASH-REG-Int-112, DO Records, [redacted] Box 2, Folder 20, CIA ARC. (S)

[29]Lewis to Helms, 22 October 1946, MGH-003-1022, (S), in DO Records, [redacted] Box 49, Folder 2, CIA ARC. (S)

[30]Eugen Gerstenmaier was a leading member of the German Lutheran church who rose to become president of Bundestag. During the war, he was in touch with Allen Dulles in Switzerland and with German members of the plot to kill Hitler in 1944. Imprisoned by the Nazis, the Americans liberated Gerstenmaier and he became an OSS contact. Working with Harry Hermsdorff, a SI officer in Berlin, Gerstenmaier founded the HEKD in August 1945. The group raised donations to help German civilians, but it fell under suspicion of the West German customs office in 1949 for violating tax and customs regulations. As a result, Wolf von Gersdorff, the HEKD's business manager and a former Abwehr officer, fled to Chile. The West German court eventually settled the case out of court, but the CIA was also implicated. OPC, for example, subsidized the organization's paper, *Christ und Welt*. Gerstenmaier, in the meantime, left the HEKD and concentrated on his political career. He, however, retained his ties with the Agency and several officers, including Dulles, [redacted] and, and [redacted].

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most importantly, Waetjen advocated that the Americans interrogate German General Staff officers who had served on the Eastern Front. In fact, Hyde, who had commanded the Seventh Army's SI detachment during the war and was later chief of station in Switzerland after Dulles had gone to Germany, had provided Col. Quinn in early September with a list of Germans who could be useful in this regard.[31] The names, drawn from Waetjen's contacts, "were the most likely to give us a picture, both of the German operations against Russia and the agent personnel used by the GIS."[32] (S)

Richard Helms, in turn, forwarded two lists of names of individuals furnished by Waetjen to Lewis a few days later. The chief of Foreign Branch M told the German Mission chief, "it is possible that you may be able to handle these interrogations in conjunction with the Keystone Project." Helms emphasized, "in any event, it is considered highest priority here that everything possible be done to get complete data on the experience of all Intelligence Services which have worked on Russia. Such information," Helms stated, "should not only provide us with good operational

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[31]For information on Hyde's background, see Wolfgang Saxon, "Henry Hyde is Dead at 82; Wartime Spymaster for O.S.S.," *New York Times*, 8 April 1997. (U)

[32]Hyde to FBM, "Contacting Former Members of the German GIS Who Were Woking on the USSR," 6 September 1946, (S), enclosing Hyde to Quinn, "German Individuals Involved in Intelligence Work on USSR," 4 September 1946, (S), in DO Records, [redacted], Box 44, Folder 5, CIA ARC. See also Hyde to Helms, "Names of Germans Likely to be Informed on German Intelligence Operations into Russia Proper Furnished by Watjen [sic]," 16 September 1946, (S), in DO Records, [redacted], Box 44, Folder 5, CIA ARC. The lists include such names as Gen. Ernst Koestring, the pre-war German army attache in Moscow, *Oberst* Arnim von Lahousen, the head of *Abwehr* Amt II until relieved in 1943, Maj. Paul Leverkuehn, the *Abwehr* representative in Istanbul, and Prof. Gerhard von Mende, Kedia's contact in the *Ostmininisterium*. Waetjen also recommended that American intelligence contact *Sturmbannfuher* Erich Georg-Karl Albin Hengelhaupt, who had directed German clandestine operations in the Caucasus. (S)

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information, but also may lead to the discovery of individuals in a good position to continue this type of work for us."[33] (S)

After Lewis met with Blum, Hyde, and Waetjen in Bern, he summarized the results of the conference. Lewis rejected using German General Staff officers as sources of information on the Soviet Union. "On the whole," Lewis wrote Helms, "I am of the opinion that in matters of intelligence it is preferable to talk with professionals and not to General Staff officers. When dealing with professionals," Lewis remarked, "the ethics which may restrain the individual from discussing intelligence matters with an American, or even with a German cut-out, do not come into the picture. It is my view," he added, "that the proper subjects for interrogation on German intelligence activities in the East are the group potentially involved in the KEYSTONE operation."[34] (S)

Lewis became incensed when he realized that Washington planned to use Waetjen as its link to members of the former General Staff. Lewis denounced Dulles's group of old agents as a series of problems that the German Mission had to contend with after Dulles had returned home:

> It is my feeling that having finally, after a great deal of effort, rid ourselves of the Crown Jewel Group, as a group, it would be a great mistake to bring them back into the picture. The Crown Jewels always seemed to me like a very exclusive club, in which every member knew all about every other member and in which discussions were carried on with complete disregard for normal security measures . . . . On the whole, our experience with the Crown Jewels has shown that they are to a man interested in promoting certain special groups inside Germany and incidentally assisting the American intelligence effort, rather than working for American intelligence and incidentally assisting certain special groups. It is this approach by the Crown Jewels which makes it impossible for us

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[33]Helms to Lewis, "Attached Memorandum," 6 September 1946, L-009/1-906, (S), in DO Records, [redacted] Box 3, Folder 42, CIA ARC. (S)

[34]Lewis to Helms, 22 October 1946, MGH-003-1022, (S), in DO Records, [redacted], Box 49, Folder 2, CIA ARC. (S)

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> to control it. Moreover, at a time when we here in the field have been receiving the strictest sort of orders about the security of the organization, it was a bit of a shock to hear Waetjen discussing Washington as if he were [sic] a staff member.[35] (S)

Lewis's vehement objection raised eyebrows in Washington. Helms, forwarding his memorandum to Col. Quinn and Henry Hyde, noted that Waetjen's trip to Germany "is for short duration to attempt to turn up a useful contact and that the German Mission should support him even if he does talk too much."[36] Col. Quinn, in a note to Col. Galloway, added, "this was started (project Keystone) in the early summer (before RUSTY came into the picture), i.e., we had to get going on Russian techniques and develop background material on possible ways of penetrating. Crosby L.," the director commented to the ADSO, "has always had it in for the Crown Jewel group and is a little venomous on the subject."[37] (S)

In December, Helms hastened to reassure Lewis and Blum about plans to use Waetjen. Helms said that Headquarters sought Waetjen, who desperately wanted to become an American citizen, for an operation in Turkey and as a contact for the German staff officers. "There was no thought that Eddy would permanently handle these men," Helms hastened to add. "The idea was simply that he would make the initial contact and attempt to turn the men over to us for our use." CIG, however, postponed Waetjen's visit to Germany "because the Keystone Project is still hanging fire and we wanted to get its status clarified before we undertook other work along the same line."[38] (S)

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[35]Ibid. (S)

[36]Comments on Routing and Record Sheet attached to Lewis to Helms, 22 October 1946, MGH-003-1022, (S), in DO Records, [redacted], Box 49, Folder 2, CIA ARC. (S)

[37]"Q" to "Don," attached to Lewis to Helms, 22 October 1946, MGH-003-1022, (S), in DO Records, [redacted], Box 49, Folder 2, CIA ARC. (S)

[38]Helms to Lewis and Blum, "Eddy Waetjen," 4 December 1946, MGH-003-1204, (S), in DO Records [redacted], Box 49, Folder 3, CIA ARC. (S)

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Reviewing the overall history of the Crown Jewels since the end of the war, Helms said that it needed "no elaboration here. We are certainly sympathetic to the problems which Germany has had on this score (didn't I personally have my headaches!), but we do not want to pass up any bets which might be worth exploitation." If Waetjen came to Germany, the chief of Foreign Branch M simply asked that "he should be handled courteously but there is no need to take him into the family or to give him any more information than is necessary for him to give the assistance which he claims he can." Waetjen, however, does not appear to have made the trip and this proposal faded away.[39] (S)

The Vandenberg Report (U)

At the end of Gen. Sibert's tour as USFET G-2 in Germany, the debate whether a civilian intelligence agency should be responsible for Operation RUSTY shifted from Germany to Washington. Maj. Gen. Withers A. Burress, Sibert's successor, appealed to Lt. Gen. Hoyt S. Vandenberg, formerly Army Chief of Staff for Intelligence and now Director of Central Intelligence, for CIG to assume control of RUSTY. His memorandum, supported by extensive documentation, noted that USFET considered "the organization one of its most prolific and dependable sources."[40] (C)

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[39]Ibid. (S)

[40]Burress to Vandenberg, "Operation RUSTY - Use of the Eastern Branch of the Former German Intelligence Service," 1 October 1946, (C), in DCI Records [redacted], Box 13, Folder 13, and DCI Records, [redacted], Box 11, Folder 481, CIA ARC. A full copy of the Burress memorandum and supporting documents can be found in DO Records, [redacted] Box 2, Folder 2, CIA ARC. The "Vandenberg Report" is the best summary report about Operation RUSTY during the Army's early period of control. (C)

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Vandenberg directed that the Office of Special Operations take a fresh look at RUSTY. On 16 October 1946, OSO presented its summary of the Burress material and dismissed Gehlen's Intelligence, or Evaluation, Group as "drawing broad conclusions from inadequate evidence and a strong tendency to editorialize." Regarding Baun's Information Group, OSO determined that "there is no evidence whatsoever which indicates high-level penetration into any political or economic body in the Russian-occupied zone." The review also blasted Operation RUSTY for its yearly budget of ⊏ ⊐ –roughly( )times that of OSO's German Mission. OSO decidedly rejected assumption of RUSTY, although it did call for a full study in order to identify salvageable aspects of the operation. The report made two significant comments that reflected OSO's overall frame of mind:

> 1. It is considered highly undesirable that any large-scale US-sponsored intelligence unit be permitted to operate under even semi-autonomous conditions. Unless responsible US personnel are fully acquainted not only with the details of each operation carried out but also with the identities and background of all individuals concerned, no high degree of reliability can be placed from an American point of view upon the intelligence produced.
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> 2. One of the greatest assets available to US intelligence has always been the extent to which the United States as a nation is trusted and looked up to by democratic-minded people throughout the world. Experience has proven that the best motivation for intelligence work is ideology followed by common interests and favors. The Germans, the Russians, their satellites, and to a lesser extent, the British, have employed fear, direct pressure of other types, and lastly, money. With most of these factors lacking to it, Operation RUSTY would appear to be dependent largely upon the last and least desirable.[41] (C)

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[41] "R.K." to Deputy A, "Operation RUSTY," 16 October 1946, (C), in DO Records, ⊏ ⊐, Box 5, Folder 2, CIA ARC (C). The identity of the correspondent is uncertain although it may have been Rolfe Kingsley. In November 1946, Vandenberg asked the Army to send

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In a letter to Gen. Vandenberg, Col. Galloway reiterated CIG's concerns about RUSTY's costs and questions about its security. He also recommended that CIG not take over the operation.[42] (S)

The Bossard Report (U)

Both the Army and CIG agreed in the fall of 1946 that the latter organization could conduct its own examination of RUSTY. As a result of discussions held in New York City in December, Samuel B. Bossard arrived at Oberursel in March 1947 to conduct a two-month study of the German operation and its potential.[43] Bossard's report marked the first time that SSU or CIG had the opportunity to examine on its own the operation and to interview Gehlen and Baun as well as other members of the German group. Unlike Crosby Lewis, Bossard reached a positive impression of Operation RUSTY.[44] "The whole pattern of operation," Bossard proclaimed in the first paragraph

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Gehlen and Baun to the United States for conferences with the CIG. See DCI to Maj. Gen. Stephen J. Chamberlin, Director of Intelligence, "Operation RUSTY - Use of the Eastern Branch of the Former German Intelligence Service," 20 November 1946, (C), in DCI Records, [redacted] Box 13, Folder 549, CIA ARC. (C)

[42]Galloway to DCI, "Operation RUSTY," 17 October 1946, (S), in DO Records, [redacted] Box 5, Folder 9, CIA ARC. This document appears as an annex to the Bossard Report. (S)

[43]The New York meeting on 19 December 1946, organized by Gen. Vandenberg, brought together a number of top American intelligence figures to discuss RUSTY. Held at the apartment of Allen Dulles, the meeting included Dulles, William H. Jackson (both special advisers to CIG), Brig. Gen. Edwin K. Wright (DDCI), Brig. Gen. Sibert, Col. Galloway, Col. Laurin L. Williams of Army G-2, Lt. Col. Deane from RUSTY, Richard Helms, and Samuel Bossard. The group agreed that CIG should hold an investigation of RUSTY "on the ground" because "certain parts had possible long-range values." [redacted] See also Helms, Memorandum for the Record, "Operation Rusty," 19 December 1946, [no classification listed], in DO Records, [redacted] Box 5, Folder 9, CIA ARC. (S)

[44]Samuel B. Bossard was born in 1912 and received degrees from Princeton and Columbia Universities. He studied in Germany before the war and, with his language skills, served as an interrogator in American prisoner-of-war camps until joining OSS in 1944. Assigned to X-2 in

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of his report, "is accordingly positive and bold; the factors of control and risk have become secondary considerations and thus yield to the necessity of obtaining information with speed and in quantity."[45] (S)

In a stunning reversal of the earlier criticism of RUSTY, Bossard compared the operation to the wartime work of OSS with various resistance groups where results mattered more than control. He dismissed "the long bill of complaints prepared by our own counter-intelligence agencies against the lack of security in this organization." Bossard declared, "in the end [this] serves more as a testimony to the alertness of our counter-intelligence agencies and a criticism of our own higher authorities for not effecting a coordination of interests [rather] than a criticism of the present organization and its operating personnel."[46] (S)

In Bossard's viewpoint, Operation RUSTY had proven to be a useful anticommunist intelligence organization. If the United States abandoned RUSTY, it would still have the same intelligence requirements as before although with fewer resources. Likewise, American control of the German operation could only strengthen the overall project and reduce its security risks. Bossard believed that Operation RUSTY offered the Americans a readymade, knowledgeable German intelligence service that

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London, Bossard became an officer and acted as liaison between OSS and British intelligence. He was stationed in London when he was detailed to examine the Gehlen Organization in 1947. In 1949, Bossard handled CIA's Washington desk for matters regarding the new German intelligence service. Bossard resigned from the Agency in 1950 and died in 1996. [redacted]

[redacted]

[45]Chief of Station, Karlsruhe to Chief, Munich Operations Base, "RUSTY," 2 November 1948, enclosing undated, unsigned Bossard Report with charts, (S), in DO Records, [redacted] Box 3, Folder 1, CIA ARC. For copies of the existent reports submitted by Bossard, see Ruffner, *Forging an Intelligence Partnership*, Vol. I, pp. 335-378. Further discussion of the Bossard Report is found in "Gehlen History," pp. 34-37. (S)

[46]Ibid. (S)

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formed a "strong core of resistance to Russian aggression."[47] Impressed with the anticommunist sympathies of the Germans and the breadth of their contacts (especially with various emigre groups), Bossard found "no evidence to prove that the unusual confidence that had been placed by American authorities in the German operators had been abused."[48] (S)

He made eight recommendations to the DCI, with the bottom line being that the Central Intelligence Group should take responsibility for RUSTY. Noting RUSTY's personnel problems, Bossard advised that CIG should eliminate those members whose "past records, previous connections, or actions constitute potential sources of political embarrassment or are actual threats to our security," specifically mentioning Russians as well as members of the Nazi party and SS. These men, Bossard stated, should "as far as possible" be used only as agents as opposed to actual employees of the German organization.[49] (S)

Washington in a Flurry (U)

Bossard's findings unleashed a flurry of activity in Washington during the summer and fall of 1947. On 3 June, Col. Galloway reversed his previous stand and recommended to Adm. Hillenkoetter, who had just taken over as DCI from Gen. Vandenberg, that he approve the Bossard Report. Col. Galloway remained concerned that support of the German intelligence service could conflict with both State Department policies dealing with a "potential resistance group" as well as interfere with the signals

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[47]Ibid. (S)
[48]Ibid. (S)
[49]Ibid. (S)

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intelligence work of the US Army and Navy. Accordingly, he added that CIG's takeover of RUSTY should be cleared through the G-2 at European Command and brought to the attention of the National Intelligence Authority (predecessor of the National Security Council).[50] (S)

A few days later, Adm. Hillenkoetter prepared a memorandum for his superior sin the National Intelligence Authority. He expressed the "strong" recommendation that "Operation RUSTY be liquidated and that CIG assume no responsibility for its continuation or liquidation."[51] Hillenkoetter felt that the Central Intelligence Group should have no connection with RUSTY without the knowledge and approval of the National Intelligence Authority. (S)

Hillenkoetter's draft recommendation discredited in effect the Bossard Report and Col. Galloway's advice. It raised a furor in Army circles. On 19 June 1947, the DCI discussed Army-CIG relations and Operation RUSTY with Maj. Gen. Stephen J. Chamberlin, the Army's Director of Intelligence. Hillenkoetter warned Chamberlin about the national security risks posed by the American support of a resurgent German General Staff and intelligence service. Gen. Chamberlin agreed that this perception created problems and promised to have Maj. Gen. Robert L. Walsh, EUCOM's G-2, oversee tighter control over the operation.[52] Chamberlin persuaded Hillenkoetter not to send his

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[50]Galloway to DCI, "Operation RUSTY," 3 June 1947, DOTS 1171, (S), in DO Records, [redacted] Box 498, Folder 1, CIA ARC. A draft of the cable from CIG to G-2 EUCOM is also included. A copy of the actual cable, Director, CIG to G-2, EUCOM, 5 June 1947, War 99500, OUT 2890, (S), is found in DO Records, [redacted] Box 7, Folder 203, CIA ARC. (S)

[51]DCI to Secretaries of State, War, Navy, and Personal Representative of the President, "Operation 'RUSTY,'" (S), in DCI Records, [redacted] Box 11, Folder 481, CIA ARC. This document contains marginalia, dated 20 June 1947, written by Brig. Gen. Edwin K. Wright, DDCI, about the decision not to send this memorandum. (S)

[52]Wright, Memorandum for the Record, 20 June 1947, (C), in DCI Records, [redacted] Box 13, Folder 549, CIA ARC. In addition to Hillenkoetter and Chamberlin, Gen. Wright and Col. Williams also attended the meeting. For another description of this meeting, see Cable,

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draft and urged the CIA to keep an open mind on the question of assuming RUSTY. For its part, the Army momentarily relented in its efforts to have the CIG take over the German organization. (S)

Uneasiness in Pullach (U)

While the CIG and the Army debated the merits of Operation RUSTY from a distant vantage point in Washington, Lt. Col. Deane monitored the almost-daily growth of Gehlen's intelligence service. The hectic expansion of agents and reports in 1946 presented a serious control challenge. Upon his return from the United States, Gehlen had discovered that Baun had his own plan for a German intelligence service. Gehlen resented Baun's grasp for control of the organization and worried about the costs and security of Baun's agents. With the help of the Americans, Gehlen gradually removed Baun from the leadership of the service during the course of 1947.[53] The Army, in the meantime, took steps to improve its control over RUSTY, including the formation of a military cover organization, the 7821st Composite Group.[54] Just before RUSTY moved

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Washington to Heidelberg, 27 June 1947, Washington 3718, OUT 3718, (S), in DO Records, ⊏ ⊐ Box 9, Folder 220, CIA ARC. (S)

[53]The Army and CIG discussed bringing Baun to America for several months in order to prevent him from "going independent." Bossard, Memorandum for the File, "Removal of Lt. Col. Hermann Baun to the United States," 3 September 1947, DOTS-1121, (S), in DO Records, ⊏ ⊐ Box 498, Folder 4, CIA ARC. The situation between Baun and Gehlen created internal division within the German intelligence service within days after the general's return to Germany in 1946. Gehlen, however, retained Baun and sent him to Iran to conduct strategic planning in the Middle East. He died in Munich in December 1951 at the age of 54. (S)

[54] CIG's recommendations to Gen. Chamberlin for changes in RUSTY are found in a 27 June 1947 untitled, unclassified note written by Bossard, in DO Records, ⊏ ⊐ Box 5, Folder 9, CIA ARC. The implementation of some of the changes are announced in Headquarters, First Military District, General Orders Number 54, "Organization of 7821st Composite Group," 1 December 1947, DO Records ⊏ ⊐Box 2, Folder 3, CIA ARC. (S)

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from Oberursel to its own compound in Pullach, near Munich, in the late fall of 1947, Col. Willard K. Liebel replaced Deane as the Operations Officer for the German project.[55] (S)

There was still little enthusiasm for RUSTY among members of the new Central Intelligence Agency. Henry Hecksher, who had served as chief of the German Mission's Security Control branch during 1946-47, explained to Richard Helms in March 1948 that while RUSTY "enjoys the unqualified backing of the Army in Germany," it seemed likely that the Soviets must have penetrated the German group. "The political implications alone (leaving aside the espionage angle) would come in handy if the Russians at any time should look for a pretext to provoke a showdown in Western Germany," Hecksher declared. Likewise, he was concerned about "the political implications of sponsoring an organization which in the opinion of qualified observers constitutes a re-activation of the German Abwehr under American aegis."[56] (S)

Headquarters received more complaints about RUSTY over the course of 1948. With great disgust, [redacted], acting chief of the Karlsruhe Operations Base, related his experiences with RUSTY in a 19 August memorandum. [redacted] had encountered Baun's operatives in the summer of 1946 when the Counter Intelligence

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[55]Reese, *General Reinhard Gehlen*, pp. 93-97. Relations between Liebel and Gehlen deteriorated soon after Liebel's arrival; in part due to the American officer's insistence on obtaining identities of the German agents. Col. Liebel also criticized Gehlen (referred to by his operational name Dr. Schneider) for poor security practices. Capt. Waldman supported Gehlen's stand during this period, which created tension within the American chain of command. For this letter, see [Colonel Liebel] to "Dr. Schneider," 3 March 1948 and Gehlen's vehement reply, "Dr. Schneider" to Col. Liebel, 11 March 1948, in DO Records, [redacted], Box 5, Folder 9, CIA ARC. Liebel departed Pullach in August 1948 and Col. Russell Philp, an old "Blue House" veteran, arrived as his successor in December 1948. Liebel's blackmarket activities and the poor state of discipline among US military personnel assigned to Pullach affected the Army's efforts to tighten control over the Germans. [redacted]

[56]Hecksher to Helms, "Operation RUSTY," (S), 18 March 1948, in DO Records, [redacted] Box 5, Folder 8, CIA ARC. (S)

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Corps arrested a number of Germans who claimed to work for American intelligence.[57] CIC informed SSU about these arrests and [redacted] investigated the backgrounds of the agents. He found that "some of the agents employed were SS personnel with known Nazi records and, in most cases, undesirable people. Recruiting methods then employed," he complained, "were so loose that former German officers and noncoms were blindly being approached to work for American intelligence in espionage activity directed against the USSR."[58] (S)

RUSTY's approach went against all principles of intelligence work. "In the recruitment methods no attention was paid to the character of the recruits, security, political leanings or quality with the result that many of the agents were blown almost immediately." [redacted] felt that RUSTY's "recruiting methods indicated a highly nationalistic group of Germans who could easily become the nucleous [sic] of serious subversive activity against any occupying power. At the same time, [redacted] lamented, "the distribution of operational supplies, money, etc. was so loose and elaborate that the influence on the black market certainly was considerable."[59] (S)

[redacted] protested any plans for future association between this group and the CIA. In a lengthy summary, [redacted] presented the viewpoint of many CIA officers:

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[57]CIG officials in Austria also protested against the actions taken by Capt. Waldman and RUSTY in Germany to launch operations in Austria. See Security Control Division, Austria to Acting Chief, FBM, "USFET Intelligence Operations in Austria," 13 March 1947, LSX-593, (S), enclosing [redacted] to John H. Richardson, "USFET Intelligence Operations in Austria," 12 February 1947, SBM-18, (S), in DO Records, [redacted], Box 514, Folder 2, CIA ARC. (S)

[58]Chief of Station, Karlsruhe to Chief, FBM, "RUSTY," 19 August 1948, MGKA-2722, (S), in DO Records, [redacted], Box 5, Folder 8, CIA ARC. (S)

[59]Ibid. (S)

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> The general consensus is that RUSTY represents a tightly-knit organization of former German officers, a good number of which formerly belonged to the German general staff. Since they have an effective means of control over their people through extensive funds, facilities, operational supplies, etc., they are in a position to provide safe haven for a good many undesirable elements from the standpoint of a future democratic Germany. Most of these officers are unable to find employment and they are therefore able to maintain their former standard of living without having to put up with the present difficulties of life in conquered Germany. They are likewise able to maintain their social standing as former officers and to continue their own study in the military field and continue training along military lines. The control of an extensive intelligence net makes it possible for the leaders to create a cadre of officers for the perpetuation of German general staff activity. The organization of RUSTY makes it possible for them to continue a closely-knit organization that can be expanded at will.[60] (S)

[redacted] formerly chief of X-2 in Germany and now head of the Munich Operations Base, reported his views of RUSTY in a July 1948 memorandum to Gordon Stewart, the chief of mission in Germany. Like his colleagues, [redacted] protested RUSTY's poor security practices and its "free-wheeling" methods of agent recruitment. [redacted] expressed particular distaste at RUSTY's abuse of the denazification laws, which undermined the operation's overall standing. [redacted] quoted a "local cynic" that "American intelligence is a rich blind man using the Abwehr as a seeing-eye dog. The only trouble is–the leash is much too long."[61] (S)

In summarizing the sentiments of Agency officials in Germany, Richard Helms told Col. Galloway in March 1948, "nothing about RUSTY has been altered which could lead us to change the position taken by us last year. In fact, the reports in the Soviet

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[60] Ibid. (S)

[61] Chief, Munich Operations Base to Acting Chief of Station, Karlsruhe, "RUSTY," 7 July 1948, MGM-A-602, (S), in DO Records, [redacted] Box 5, Folder 8, CIA ARC. (S)

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dominated press in Germany concerning the use of former German staff and intelligence officers are such that there is no question that the Russians know this operation is going on even though they may have some of the details wrong." Helms added, "certainly the fact that so much publicity has been given to this indicates serious flaws in the security of the operation."[62] (S)

Little by little, however, the Army managed to get CIA more involved with RUSTY, despite the complaints from the field and even DCI Hillenkoetter's opposition. In December 1947, Gen. Walsh brought up the issue of the Agency's taking over of RUSTY with [redacted], then CIA's chief of base in Berlin. Walsh maintained that while the Army's running RUSTY in 1947 might have been considered a "sin of commission," the failure to run it in 1948 would constitute a "sin of omission."[63] (S)

As late as mid-1948, Hillenkoetter continued to resist the Army's overtures to assume control of RUSTY. In July, the DCI informed the Army's Director of Intelligence that he did not want the Army to use a 1946 letter of agreement between the War Department and CIG to obtain services, supplies, and equipment for the 7821st Composite Group, the Army's cover organization for RUSTY. Hillenkoetter believed that a new, and separate, agreement should be drawn up between both organizations to support the Army's requirements for RUSTY.[64] (S)

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[62]Helms to ADSO, "RUSTY," 19 March 1948, (S), in DO Records, [redacted], Box 5, Folder 8, CIA ARC. For a copy of one such Soviet article, see Chief of Station, Heidelberg to Chief, FBM, "Russian Newspaper Attack on American Intelligence Activities," 6 February 1948, MGB-A-1248, (C), in DO Records, [redacted] Box 5, Folder 8, CIA ARC. (S)

[63]"Highlights of Conversation with W," undated, (S), in DO Records, [redacted], Box 5, Folder 8, CIA ARC. (S)

[64]DCI to the Director of Intelligence, "Letter–AGAO-S-D-M 40 TS (23 Oct 46), Subject: Supplies and Equipment for the Central Intelligence Group," 30 July 1948, (C), in DCI Records, [redacted] Box 13, Folder 549, CIA ARC. (C)

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At the same time, Hillenkoetter provided Gen. Chamberlin with some news about RUSTY that he had learned from various sources. In one case, Samuel Bossard, back in England, had received a letter from a mysterious "R. Gunner" about "some dangerous points." Gunner, believed to be Gehlen, asked for Bossard's "personal advice concerning certain business questions" and wanted him to come to Munich.[65] Disagreements between Gehlen and his American military counterpart, Col. Liebel, now made their way to the highest levels of CIA. The entire project appeared on the verge of disintegration.[66] (S)

The Critchfield Report (U)

Matters quickly came to a head after this point, forcing CIA to consider whether it should maintain a German intelligence organization. While the Army finally took steps to issue some priorities in terms of targets and geographic regions for RUSTY, Gen. Walsh, informed Adm. Hillenkoetter in October that the Army could no longer fund RUSTY for any activities other than Order of Battle intelligence.[67] During a visit to Germany, the DCI discussed the matter with Walsh and agreed to provide limited funds while the CIA conducted yet another investigation of the Army's German operation.

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[65]DCI to Chamberlin, 31 August 1948, (C), in DCI Records, [redacted], Box 13, Folder 549, CIA ARC. Another copy of this memorandum also appears in DO Records, [redacted] Box 5, Folder 8, CIA ARC. (S)

[66]Headquarters told its officers in Germany to refrain from forwarding information about RUSTY to Army officials there because the Army apparently regarded the news as "sniping." See Cable, SO to Heidelberg, Washington 2664, OUT 58734, 13 February 1948, (S), and Stewart to Helms, "RUSTY," 17 February 1948, MGH-A-4058, (S), both in DO Records, [redacted] Box 5, Folder 8, CIA ARC. (S)

[67]For the agenda of the meeting between the Army, Air Force, and Gehlen and list of priorities, see "Minutes of Meeting," 1 October 1948, (S), in DO Records, [redacted], Box 2, Folder 3, CIA ARC. (S)

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Immediately prior to Adm. Hillenkoetter's agreement with the Army, Col. Galloway and Gordon M. Stewart conferred about RUSTY. They concluded that the Agency needed to penetrate RUSTY, and "pay particular attention to its attempts to become the official German intelligence service."[68] (S)

On 27 October 1948, Col. Galloway informed Stewart that he wanted James H. Critchfield to examine RUSTY. Critchfield's mandate specified that he should evaluate RUSTY's Order of Battle facilities and determine which elements should either be penetrated by the CIA, exploited, left with the Army, or liquidated. The report, Galloway noted, should be thorough, but also completed within a month.[69] (S)

Critchfield, a young US Army combat veteran, had served in military intelligence staff positions in both Germany and Austria when he joined the new CIA in 1948.[70] He embarked on his new project with vigor and met his deadline when he cabled a summary of his findings to Washington on 17 December.[71] In an extensive study (his full report,

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[68]Chief of Station, Karlsruhe to Chief, FBM, "RUSTY," 15 October 1948, MGK-A-3583, (S), in DO Records, [redacted], Box 5, Folder 9, CIA ARC. (S)

[69]Cable, SO to Karlsruhe, 27 October 1948, Washington 4193, OUT 70606, (S), in DO Records, [redacted], Box 5, Folder 9, CIA ARC. Richard Helms also provided some guidance for this investigation in Chief, FBM to Chief of Station, Karlsruhe, "RUSTY," 2 November 1948, MGK-W-914, (S), in DO Records, [redacted], Box 5, Folder 8, CIA ARC. (S)

[70]Born in 1917, James H. Critchfield joined the CIA in March 1948. An officer who had risen from second lieutenant to lieutenant colonel in four years, Critchfield had seen extensive combat in Europe. Following the war, Critchfield served as the chief of the Third US Army's Counter Intelligence Branch from March 1946 to January 1947 and as chief of the Intelligence Branch of the United States Forces in Austria from January 1947 to January 1948. Critchfield retained his US Army rank on joining the CIA, and he was chief of the Munich Operations Base from September 1948 to March 1949. In June 1949, Critchfield assumed control of the Pullach Operations Base, the Agency's point of contact with Gehlen, until 1956. Critchfield later held senior positions in the DD/P and served as the National Intelligence Officer for Energy until he retired in 1974. Personnel file, James H. Critchfield, [redacted]

[71]Cable, Karlsruhe to SO, 17 December 1948, Karlsruhe 2925, IN 19522, (S), in DO Records, [redacted], Box 5, Folder 9, CIA ARC. (S)

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with annexes, arrived at Headquarters after that point), he and several associates examined the Army's relationship with RUSTY, its funding, organizational structure, intelligence reporting, operations and procedures, and Gehlen's own plans for his group. Critchfield's report stands as the Agency's most thorough review of the growing German intelligence service.[72] (S)

He also set the tenor for future CIA relations with Gehlen. While Critchfield made several important points, the CIA officer observed that the Agency could not ignore the presence of RUSTY. He wrote:

> In the final analysis, RUSTY is a re-established GIS which has been sponsored by the present de facto national government of Germany, i.e. by the military occupational forces. Because the 4,000 or more Germans who comprise RUSTY constitute a going concern in the intelligence field, it appears highly probable that RUSTY will emerge as a strong influence, if not the dominant one, in the new GIS. Another important consideration is that RUSTY has closest ties with ex-German General Staff officers throughout Germany. If, in the future, Germany is to play any role in a Western European military alliance, this is an important factor.[73] (S)

As Critchfield pointed out, RUSTY was a *fait accompli*, regardless of whether the CIA wanted the German organization or not. He advocated the Agency's assumption of RUSTY because "from an intelligence viewpoint, it seems desirable that CIA enter RUSTY at that point where it can control all contacts and operational developments outside of German territory."[74] The Agency now believed that the United States could no

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[72]Chief of Station, Karlsruhe to Chief, OSO, "Report of Investigation–RUSTY," 17 December 1948, MGM-A-878, MGTS-11, (S), in DO Records, [redacted], Box 3, Folder 4, CIA ARC (hereafter cited as "The Critchfield Report.") (S)

[73]Ibid., p. 10 of the "Basic Report" in "The Critchfield Report." (S)

[74]Ibid. (S)

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longer simply dismantle RUSTY, prompting the CIA to take control from the Army in the summer of 1949. Hillenkoetter reluctantly agreed to this move and made it clear that "CIA was not asking to take over Rusty and was expressing a willingness to do so only because the Army was requesting it."[75] (S)

Gen. Omar Bradley, the Army's Chief of Staff (and soon-to-be Chairman of the Joint Chiefs of Staff) and Secretary of Defense James V. Forrestal both supported the Agency's move, as did individual members of the National Security Council. Throughout the first months of 1949, the Agency, the Department of the Army, and Gen. Lucius D. Clay, US military governor of Germany, dickered over the CIA's assumption of RUSTY.[76] At the same time, Critchfield in Pullach had his hands full with an acrimonious dispute between Gehlen and Col. Philp, the US Army commander on the scene.[77] With Gen. Clay's departure from Germany in May, the Agency took full responsibility for the Gehlen Organization from the US Army on 1 July 1949.[78] (S)

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[75]Helms, Memorandum for the Files, 1 February 1949, (S), in DO Records, [redacted], Box 5, Folder 9, CIA ARC. (S)

[76]For correspondence during this delicate transition period, see S. Leroy Irwin, Director of Intelligence to DCI, "Operation 'Rusty,'" 19 January 1949, SD-13884, (S); Cable, SO to Karlsruhe, 9 February 1949, Washington 8885, OUT 75997, (S); [redacted], Executive Officer to Chief of Operations and Chief, FBM, "ODEUM," 1 April 1949, (C); Cable, SO to Karlsruhe, 16 May 1949, Washington 3624, OUT 81439, (S); all of these documents (with the exception of the [redacted] memo) are located in DO Records, [redacted], Box 5, Folder 9, CIA ARC. The [redacted] memo is found in DO Records, [redacted], Box 2, Folder 6, CIA ARC. (S)

[77]Chief, FBM to Chief of Station, Karlsruhe, "Operational, 10 February 1949, MGK-W-1361, (S), enclosing Alan R. McCracken, Acting ADSO to Maj. Gen. S. Leroy Irwin, Director of Intelligence, "Operation Rusty," 9 February 1949, in DO Records, [redacted], Box 5, Folder 9, CIA ARC. For further information on the hostile environment at Pullach, see Chief of Station, Karlsruhe to Chief, FBM, "Letter to General Hall," 10 February 1949, MGM-A-961, (S), and Chief of Station, Karlsruhe to Chief, FBM, "ODEUM: Current Situation," 18 April 1949, MGM-A-1094, (S), both in DO Records, Job 78-02133R, Box 5, Folder 9, CIA ARC. (S)

[78]Shortly after CIA took over RUSTY from the Army, the Office of the US High Commission for Germany (HICOG) assumed control from the Office of the Military Government (OMGUS) and the Occupation Statute went into effect. In September 1949, the Federal Government of Germany formed following the ratification of the Basic Law, the new republic's constitution in

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Advisers and Liaison (U)

Even prior to the official transfer, Critchfield specified the terms of agreement between the CIA and the German organization. The reform of the German currency in 1948 hurt Gehlen's operations and resulted in extensive budget negotiations for the next two years. The basic agreement reached by Critchfield and Gehlen in June 1948 recognized that "the basis for US-German cooperation in this project lies in the mutual conviction of the respective parties that increasing cooperation between a free and democratic Germany and the United States within the framework of the Western European Union and the Atlantic Community is indispensable for the successful execution of a policy of opposition and containment of Communist Russia."[79] (S)

Critchfield acknowledged, "the members of the German staff of this project are acting first and foremost as German nationals working in the interest of the German people in combating Communism." Yet, the Agency's chief of base insisted that, until Germany regained its sovereignty and the two countries made new arrangements, the Central Intelligence Agency would remain the dominant partner. Critchfield, for example, would specify intelligence priorities to Gehlen and "complete details of operational activities will be available to US staff." While American officials would deal with the Germans in "an advisery and liaison capacity," Critchfield planned to scrutinize

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May. In the spring of 1952, Germany and the Western Allies replaced the Occupation Statute with Contractual Agreements. Three years later, West Germany became a sovereign nation and joined the North Atlantic Treaty Organization (NATO). Several months later, West Germany reformed its military forces and the Gehlen Organization became Germany's official intelligence service in February 1956. (U)

[79]Chief of Station, Karlsruhe to Chief, FBM, "Basic Agreement with ODEUM," 13 June 1949, MGL-A-8, (S), in DO Records, C [redacted] J, Box 5. Folder 9, CIA ARC. (S)

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the Gehlen Organization. "All operations outside of Germany will," Critchfield noted, "be reduced to a project basis with funds provided for each project as approved and on the basis of continuing review of operational details and production."[80] (S)

Relations between the Agency and the German intelligence service in subsequent years were often at odds. Gehlen resented the CIA's intrusion, which was far more sweeping than the Army's. In 1950, for example, Critchfield reduced the number of Gehlen's projects from 150 to 49, and he soon whittled this latter number to ten. Critchfield bluntly told Gehlen in 1950 that "it was high time he recognized the fact that his organization, while viewed in a most creditable light for its tactical collection and especially its military evaluation work, was considered definitely second class in any intelligence activity of a more difficult or sophisticated nature, and that if he had any aspirations beyond that of producing a good G-2 concern for the future German Army, some drastic changes were in order."[81] (S)

In Hindsight (U)

The CIA now found itself in a similar quandary as the Army had been in dealing with ODEUM (the Agency's new name for RUSTY).[82] It provided considerable funding

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[80]Ibid. (S)

[81]⊏ ⊐ : through XI-7. For more complete details of the conflict between CIA and Gehlen, see "Gehlen History." (S)

[82]The Agency dropped the use of the term RUSTY in 1949, and used a new operational code, ODEUM, through 1950 when it changed to ZIPPER. Following the establishment of the BND in 1956, the Agency referred to Gehlen's group as UPHILL and UPSWING. CIA's Pullach Base stopped using the Army's cover as the 7821st Composite Group and became known as Special Detachment, EUCOM, or the 7878th Signal Detachment. This later changed to Special Detachment, US Army Europe, and then to the US Army Technical Coordinating Activity. ⊏ ⊐

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and support to Gehlen, but had little actual control over the service.[83] This marked, perhaps, the greatest shortcoming of the Agency's work with the West German intelligence service and created long-term problems for both the Americans and Germans. (S)

The Gehlen Organization has long been accused of acting as a shelter for Nazis and those who committed crimes during the Third Reich. Because of their sponsorship of the German intelligence service, the US Army and CIA are implicated in this criticism. From the earliest days, SSU, CIG, and later CIA recognized this as a problem and, in fact, warned the Army about supporting Gehlen. After 1949, CIA inherited these same concerns and, while it curbed Gehlen's viewpoints on the American war crimes program, the Agency could never get the Germans to "clean house."[84] (S)

On occasion, the Agency tried to determine the composition of the German intelligence service and the number of former NSDAP party members. A CIA staff

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[83]The CIA initially provided Gehlen with [redacted] per month in 1949 to run his operations. By 1955, the Agency had an annual expense for over [redacted] to support the West German intelligence service. Between 1950 and 1968, CIA spent [redacted] on Gehlen's organization and US liaison operations. The CIA received some funding support from the Army while [redacted]USTY, in the early days, increased its revenue through black market activities. The Agency never had full access to the identities of Gehlen agents, forcing the Agency to employ clandestine means to identify German intelligence personnel. [redacted]

[84]For Gehlen's viewpoints concerning American war crimes trials of German officers, which resulted in a stir between CIA and the German service, [redacted] By 1953, the official perception of CIA and Gehlen's intelligence service had become so entwined that even Roger M. Keyes, Deputy Secretary of Defense criticized the Agency's role in Germany. Frank Wisner, now DD/P, responded, "there is no adequate answer or correction of the assumption that we rely very largely upon the ZIPPER effort for intelligence on Eastern Europe generally. This is a common fallacy which is always cropping up and it should be pointed out that we have our own independent operations in addition to the ZIPPER effort." Wisner to DCI, "Communications from Under Secretary of Defense dated 4 December and Relating to (a) Military Cover for CIA Operations; and (b) Deficiencies in Intelligence Collection and Dissemination," 12 December 1953, TS 92318, (C), in DO Records, [redacted], Box 13, Folder 16, CIA ARC. (C)

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officer at Pullach estimated in the mid-1950s that some 13 percent of Gehlen's organization (76 out of 600 identified "ZIPPERites") were "known to have been either former SS, SD, SA members, NSDAP members, War Crime offenders and/or a combination of the same." A few years previously, Gehlen had told Critchfield (who served as the CIA's contact with the Germans and as chief of CIA's base at Pullach from 1948 through 1956) that 28 percent of his officers had been Nazi Party members. The German general expressed an ironic pleasure that his intelligence service had a lower percentage of SS and Nazi party members then had the German Bundestag in 1953.[85] (S)

[redacted], who conducted the unofficial survey of Nazis within the German service, did uncover several "individuals still in the employ of ZIPPER whose records appear from a qualitative standpoint particularly heinous." He listed these five members of Gehlen's group (Arwed Flegel, Willy Heinrich Friede, Conrad Fiebig, Otto Somann, and Karlgeorg Wellhoener) and discussed their Nazi records and service with Gehlen. [redacted] noted, "we feel it is a bit late in the game to do anything more than remind UTILITY [Gehlen's CIA cryptonym] that he might be smart politically to drop such types."[86] Despite American apprehensions, Gehlen's BND did not purge these Nazi

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[85][Unsigned] to EE, "Former Nazi and SS Membership in ZIPPER, circa 1954, (S), in DO Records, [redacted], Box 2, Folder 4, CIA ARC. [redacted] identifies [redacted] as the author of the CIA memorandum about Nazis in the West German intelligence service. Apparently, [redacted] never sent this memorandum to Headquarters. [redacted]

[86][Unsigned] to EE, "Former Nazi and SS Members in ZIPPER," circa 1954, (S), in DO Records, [redacted], Box 2, Folder 4, CIA ARC. CIA records indicate that Arwed Flegel, for example, was a Waffen SS officer who had escaped from an internment camp in 1946, but was recaptured by the British later that year. By 1953, the Agency reported that Flegel was involved in a scandal in northern Germany involving rivalries between the Gehlen Organization and a local security service. See Arwed Flegel, [redacted], DO Records. In the case of Konrad Fiebig, CIA's records indicate that he was wanted by the Army's CIC in 1946 for mass murder. A brief notation indicates that Fiebig was a suspected member of an SD *Einsatzkommando* in Russia during the war. Fiebig was later charged, but found not guilty of the charges, by a West German court in 1962. The BND, however, dismissed him for falsifying his

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leftovers until the 1960s after the Service had been rocked by a series of spy scandals.[87] (S)

With the collapse of the Berlin Wall and the reunification of Germany, the full extent of the communist penetration of the Gehlen Organization and its successor, the *Bundesnachrichtendienst*, has become more apparent. The KGB's ability to use former Nazi officials as agents from the first days in the mid-1940s led to further exploitation of the West German intelligence services by the East German STASI until 1989. The concerns of the OSS, SSU, CIG, and CIA about RUSTY's security proved a belated finale of the Gehlen Organization's legacy. (S)

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record. See Konrad Fiebig, [illegible] DO Records. Gehlen also cultivated support from some of Germany's most prominent military and political leaders. Gehlen placed a German general in charge of these Special Connections (*Sonderverbindungen*) to cultivate their assistance. By 1951, [illegible], a CIA staff member at Pullach, determined that Gehlen had at least 207 Special Connections from all elements of German society. In his first report in 1950, [illegible] noted that the "Special Connections reach into the Government, the political parties, the former officer corps, the former NSDAP and SS, the diplomatic corps, the legal and medical profession, the press . . . the industrialists, the aristocracy, the intellectuals, the state police forces." The Special Connections offered Gehlen access to information throughout the country but also tied the new organization to the power structure of the old Nazi regime. [illegible]

[87]Gehlen's intelligence service suffered from a rash of intelligence scandals, including the Felfe case, perpetrated by members of the BND who had served in the SS during World War II. [illegible]

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Chapter Ten

A Valuable Man Whom We Must Control (U)

As RUSTY became a stronger player in Western Europe, the Central Intelligence Agency needed more, rather than less, information about its personnel and operations.[1] In fact, both the CIA and the CIC in Germany conducted their own separate intelligence-gathering operations against Gehlen throughout the early 1950s.[2] The Agency also kept a close eye on known German intelligence agents and, in one important case, took over a top Gehlen agent to become a CIA source. Gaining one of Gehlen's agents presented an unusual opportunity for CIA, coming at a time when the CIA had just recently assumed responsibility for ODEUM (CIA's new operational term for RUSTY). The Agency wanted to curb Gehlen's appetite for expansion, particularly in Austria. (S)

Penetration of the Gehlen Organization (U)

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[1]Portions of this chapter appear in condensed form in Ruffner, "Prussian Nobleman, SS Officer, and CIA Agent: The Case of Otto Albert Alfred von Bolschwing," in *Studies in Intelligence* (1998), pp. 61-77 (now declassified). (U)

[2]The Army's CIC, in particular, resented the development of RUSTY and the relatively free range that its agents operated in Germany. After the CIA's assumption of the German service, the CIC launched its own intelligence-gathering project, Operation CAMPUS, against Gehlen. CIA, likewise, launched an intensive data-gathering operation, known as UJDREDGER and later UJVENTURE, to identify German intelligence personnel and methods. The Agency also implemented a telephone and mail intercept program, known as CALLIKAK.

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"ODEUM," case officer Thomas A. Lucid at Pullach wrote in late 1949, "should not be allowed to build, plan, or even desire to extend itself into Austria, whether as a little Austrian ODEUM, with recognition from or penetration into the Austrian government in the least comparable to the recognition and relative position they hope to achieve here in Germany." ODEUM's activities in Austria, "if at all, it must be restricted to a low-level, purely operational favor-for-favor horse-trading basis."[3] (S)

Otto Albrecht Alfred von Bolschwing seemed to offer potential for recruitment by the Americans because he could provide extensive insight into ODEUM's foreign intelligence activities. Operating in Salzburg, Bolschwing had reestablished his wartime ties to members of the Romanian Iron Guard now scattered throughout southern Europe. Bolschwing had joined RUSTY in 1947, although he had fallen from Gehlen's favor by 1950 because of his unwillingness to provide Pullach with operational information. Throughout 1949 and 1950, the CIA debated whether to pick up Bolschwing from ODEUM and to use him as an American source. (S)

In a late 1949 memorandum, Thomas A. Lucid, who had just transferred to the CIA from the CIC, discussed US intelligence plans for Austria with Richard Helms.[4] Otto von Bolschwing figured prominently in Lucid's planning. "It would seem," Lucid

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[3]Chief of Station, Karlsruhe to Chief, FBM, "ODEUM and Austria," 12 December 1949, MGL-A-945, (S), in Otto von Bolschwing, [redacted] DO Records. This same document is also found in DO Records, [redacted], Box 5, Folder 5, CIA ARC. (S)

[4]Thomas A. Lucid joined the CIA in August 1949 after serving with the 430th CIC Detachment in Austria. Born in 1917, Lucid had been an Army captain for five years and served with the 88th CIC Detachment in Italy and Austria. A lawyer by training, Lucid remained in Austria as a civilian employee and CIC section chief in Linz. Lucid spent ten years (1949-1959) at Pullach and later served in South Vietnam and Taiwan. He capped his career as chief of base in Munich and retired in 1972. Lucid died in 1985. Personnel file, Thomas A. Lucid, [redacted]

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declared, "that [it is] a basis for splitting Bolschwing away from ODEUM and at the same time making the action work [to] our advantage. For example, he might conceivably be able to break into the future official Austrian IS, at the same time remaining a collaborator of ours." Lucid did have some reservations about Bolschwing. "The suggestions regarding Bolschwing," he wrote, "should not necessarily be taken as an indication that we regard him as a top-flight operative. As a matter of fact he may be, but if this is the case, he has apparently managed to keep a bushel handy for concealment purposes. Always giving the devil his due," Lucid added, Bolschwing "may indeed have great potentialities which could be nursed along, particularly in the political field."[5] (S)

Lucid's mixed feelings about Bolschwing echoed earlier sentiments expressed by the Central Intelligence Group. A trace request to Headquarters from Austria in the spring of 1947 brought word that "Otto Albrecht Alfred Bolschwing is shady character."[6] Security Control in Munich also confirmed that Bolschwing was considered unreliable.[7] Upon receipt of this information, the Security Control chief in Austria responded, "after considering the information on subject provided by Headquarters, together with

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[5]Chief of Station, Karlsruhe to Chief, FBM, "ODEUM and Austria," 12 December 1949, MGL-A-945, (S), in Bolschwing, [redacted] DO Records. (S)

[6]Cable, Washington to Vienna, Heidelberg, 27 March 1947, Washington 766, IN 8397, (S), in Bolschwing, [redacted], DO Records. See also Security Control Division to Commanding Officer, Austria, "Otto Albrecht Alfred von Bolschwing," 25 March 1947, X-9573, (S), in DO Records, [redacted], Box 6, Folder 128, CIA ARC. A copy of this same memo is found in DO Records, [redacted], Box 5, Folder 168, CIA ARC. Interestingly, Bolschwing claimed to have known Lt. Rene Grammel, the SI officer in Munich killed in an automobile accident in late 1946. In its trace, Headquarters could find no evidence that Grammel and Bolschwing had any connections. (S)

[7][redacted] to AB-51 [Hecksher], "Bolschwing, Otto Albrecht Alfred," 26 March 1947, MSC/Memo/176, (S), in Bolschwing, [redacted] DO Records. [redacted] in Munich wrote the reply and noted, "Lt. Grammel, as you know, is dead and many of his casual contacts cannot be now ascertained." [redacted] believed, however, that any contact between the deceased CIG officer and Bolschwing was of "only a casual noncommittal nature." (S)

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Heidelberg's reply to our inquiry, we have decided not to use subject in any capacity. No approach will be made to him." SC Austria added, "we will make an effort, however, to be kept informed on his activities, particularly with regard to the CE aspect."[8] (S)

Prussian Nobleman, Adventurer, and SS Officer (U)

Bolschwing's personal history was, indeed, "not the best."[9] Born in 1909 in Prussia, the son of a nobleman, he was orphaned when his father was killed in action on the Eastern Front during World War I. As a young man, Bolschwing worked with several trading companies and other businesses in Germany, Great Britain, and elsewhere in Europe. He then struck out to make his fortune in the British Mandate territory of Palestine, where he became embroiled in early Nazi intelligence activities in the Middle East.[10] (U)

Bolschwing's own "Life History," (written for the CIA in the fall of 1949) contained a number of fanciful exaggerations about his activities following his return to Germany in the mid-1930s.[11] While he denied his Nazi past and claimed that he always [illegible] the regime, Bolschwing actually worked for the section of the German RSHA dealing directly with the "Jewish problem." In 1940, he moved from this work to assume the post of SD representative in Bucharest, Romania, where he supported the Iron Guard

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[8]Security Control Division, Austria to Chief, FBM, "Otto Albrecht Alfred Bolschwing," 16 April 1947, LSX-645, (S), in Bolschwing, [redacted], DO Records. A copy of this same memo is found in DO Records, [redacted] Box 402, [no folder listed], CIA ARC. (S)

[9]Undated, unsigned, typed note in Bolschwing, [redacted], DO Records. (S)

[10]A synopsis of Bolschwing's life and Nazi career is found in Ryan, *Quiet Neighbors*, pp. 218-239. (U)

[11]See Chief of Station, Karlsruhe to Chief, FBM, "ODEUM Personnel–Otto Albrecht Baron von Bolschwing," 3 October 1949, MGL-A-507, (S), enclosing Bolschwing, "Statement on Life History," 14 September 1949, (S), in Bolschwing, [redacted], DO Records. (S)

in a bloody but abortive coup attempt against Marshal Ion Antonescu in January 1941. Bolschwing undertook this action without the approval of his superiors in Berlin, which prompted the German Foreign Ministry to protest the SD's interference in the Reich's external affairs. Following the suppression of the Iron Guard revolt, Bolschwing spent a "few months" in confinement in Germany. His arrest and imprisonment as well as his subsequent demotion in the SS later bolstered his self-projected image as a resistance fighter–an aspect that the wily German played up by obtaining certificates from US Army units attesting to his underground activities at the end of the war.[12] (S)

Bolschwing's statements in 1949 failed to convince the CIA about his trustworthiness.[13] One report noted that "most evaluations of B. . . . run as follows: self -seeking, egotistical, and a man of shifting loyalties. His protests of democracy and, more particularly, feelings of Austrian nationalism seem to contradict his history."[14] Another observer wrote, "he is an adventurer, a lover of intrigue, and a wire-puller who is fond of power." Furthermore, Bolschwing claimed that "in his position in Romanian he was able to frustrate many of the evil designs of the Nazi regime, but it should be remembered as a black mark against him rather than a point in his favor that he arranged the escape of [Romanian fascist Horia] Sima and others at a time when these men were at the height of their crimes." This report added, "if one adds to these objections the difficulties inherent

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[12]Bolschwing received certificates from various American units in Austria, including the 71st and 410th Infantry Regiments for service in the summer of 1945. He later stated that he worked with the 44th Infantry Division from April through June 1945; the 103rd Infantry Division in July and August 1945; the 84th Infantry Division until December 1945; and finally with Third US Army Intelligence through December 1946. One of the officers who provided Bolschwing with a certificate, Lt. Col. Roy F. Goggin of the 71st Infantry Regiment, later sponsored him as an immigrant. (S)

[13]Bolschwing, "Statement on Life History." (S)

[14]Undated, unsigned memorandum, "UNREST (Bolschwing) Files," (S), in Bolschwing, ⊂ ⊐ DO Records. (S)

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in Bolschwing's involvement with political reporting on Austria, it is hard to see how, among all our other commitments, much could be gained by having MOB [Munich Operations Base] take him over as the principal agent for three Romanian projects."[15] (S)

The Romanian projects in question, ODEUM Projects 114, 115, and 116, involved members of the Iron Guard faction under Constantin Papanace. Based in Italy, the group broke away from the main body of the Horia Sima's Iron Guard movement while quarantined in Germany during the war. Bolschwing's ODEUM projects claimed to have widespread political and military coverage throughout Romania through his Iron Guard contacts.[16] After reviewing Bolschwing's potential, James Critchfield at Pullach commented, "we are convinced that Bolschwing's Romanian operations, his connections with the Papanace group, his internal Austrian political and intelligence connections, and last but not least, his knowledge of and probable future on ODEUM's activities in and through Austria make him a valuable man whom we must control."[17] (S)

CIA's Man in Austria (U)

By early 1950, CIA decided to take Bolschwing as an agent. Bolschwing met with Gehlen in January and discussed the terms of his departure from ODEUM. Bolschwing then informed US intelligence about this development, and Critchfield spoke

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[15]Undated, unsigned, untitled, report, with letterhead "Central Intelligence Agency Washington 25, DC," in Bolschwing, [redacted], DO Records. (S)

[16]FDM, Memorandum, "Projects 114, 115, 116 (Bolschwing Romanian Projects)," 9 February 1950, (S), in Bolschwing, [redacted], DO Records. See also [redacted] to Samuel B. Bossard, "ODEUM Romanian Projects Controlled by von Bolschwing," 15 November 1949, (S), in Bolschwing, [redacted] DO Records. (S)

[17]Chief of Station, Karlsruhe to Chief, FDM, "ODEUM Situation Austria," 1 February 1950, MGL-A-1198, (S), in Bolschwing, [redacted], DO Records. (S)

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with Gehlen about Bolschwing.[18] Ironically, Critchfield found that "UTILITY [Gehlen] expressed conviction that the Papanace connection is of great value and should be salvaged" and that he "strongly recommended that the AIS in some way establish connection with Bolschwing and attempt to obtain from him a comprehensive description of these operations." Consequently, Critchfield directed [redacted] to contact Bolschwing to learn more about his work with the Romanians.[19] (S)

[redacted] soon met with Bolschwing and provided a description of his sources, both Romanian and Austrian.[20] [redacted] stated that "UNREST [Bolschwing's CIA codename, issued in February 1950] has risen steadily in the opinion of this case officer and POB [Pullach Operations Base] in the last six months . . . . He is unquestionably an extremely intelligent person, an experienced intelligence operator, a man with an unusually wide and well placed circle of friends, acquaintances, and sources, and a man whose grasp of the political-intelligence field throughout the Balkans, and to a lesser degree in western Europe, is of a high order."[21] Both [redacted] and Critchfield were

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[18]Chief of Station, Karlsruhe to Chief, FDM, "Interim Solution to the Bolschwing-Austrodeum Problem," 1 February 1950, MGL-A-1200, (S), in Bolschwing, [redacted], DO Records. Bolschwing's account of his dismissal is found in Chief of Station, Karlsruhe to Chief, FDM, "Bolschwing Report–ODEUM," 1 February 1950, MGL-A-1199, (S), enclosing "Final Conversation with German Organizational Chiefs," 26 January 1950, (S), in Bolschwing, [redacted], DO Records. (S)

[19]Chief of Station, Karlsruhe to Chief, FDM, "Interim Solution to the Bolschwing-Austrodeum Problem," 1 February 1950, MGL-A-1200, (S), in Bolschwing, [redacted] DO Records. (S)

[20] [redacted] joined CIG in October 1946 and served in Karlsruhe and Berlin before his transfer to what became Pullach Operations Base in May 1949. Born in 1911, [redacted] remained in Pullach as a part of the Agency's Positive Intelligence Operations Section (under Thomas A. Lucid) until 1954. He later served [redacted] until his resignation to take private employment in 1957. [redacted] (S)

[21]"AUSTRODEUM II," Extract of Report, 20 March 1950, MGL-A-1540, (S), in Bolschwing, [redacted], DO Records. (S)

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impressed by Bolschwing's preference for working for American intelligence as opposed to staying with Gehlen. "Probably the single ambition of Bolschwing," the chief of POB observed, "which is greater than that of playing a key role in Austrian intelligence is to become an American citizen and work in some capacity in political and intelligence affairs in Europe or in the United States as an American citizen."[22] (S)

The First Coverup (U)

CIA's interest in Bolschwing soon extended to covering up his Nazi past. In early 1950, the Austrian Ministry of Interior investigated Bolschwing's presence in that country (Bolschwing was a German citizen) and requested the Americans to provide a copy of his Nazi party records from the Berlin Documents Center. When Pullach received word from the Berlin Base about this request, it immediately asked that his file be withheld. Peter M.F. Sichel agreed to pull Bolschwing's records and hold them separately, warning that Bolschwing was prominently mentioned in the "German Primer."[23] In a revealing memorandum to Pullach, Sichel forwarded his recommendations:

> 1. We would like to draw your attention to some circumstances, which, in my opinion, make it unwise to have a negative file check on such persons as von Bolschwing . . . .

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[22]Chief of Station, Karlsruhe to Chief, FDM, "ODEUM Situation Austria," 1 February 1950, MGL-A-1198, (S), in Bolschwing, [redacted], DO Records. (S)

[23]*The German Intelligence Services*, two volumes of British Intelligence reports on German Abwehr and SD/SS intelligence personnel, organizations, and operations compiled during World War II. The "German Primer" was used by Allied intelligence during the war and remained in use afterward. [redacted]. A copy of the "German Primer" is available in the CIA History Staff files. (S)

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2. The files at the Berlin Documents Center as to Nazi membership and SS membership, as well as the SS personnel files, are so complete that it is unlikely that any person checked, who was a member of either of these two organizations would not be found in the files. On top of this the persons you are dealing with are so well known and their background so well publicized in the past that I deem it improbable that you can protect them from their past history.

3. At the end of the war we tried to be very smart and changed the name of several members of the SD and *Abwehr* in order to protect them from the German authorities and the occupation authorities. In most cases these persons were so well known that the change in name compromised them more than if they were to face a denazification court and face the judgment that would have been meted out to them. In the meanwhile, the developments in Germany and probably also in Austria have been such that membership in the SS, or in the SD, or in the *Abwehr* no longer is regarded as a strike against any personality. Since I regard it impossible to keep secret such associations, except in cases where a person was a clandestine agent of a given organization, I request you to reassess the advisability of withholding information available in the Berlin Documents Center.

4. For the record I would like to state, however, that we can withhold such information if desired.[24] (S)

[redacted], Bolschwing's case officer, commented on the Agency's efforts to obscure the German's Nazi background:

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[24]Chief of Station, Karlsruhe to Chief of Base, Pullach, "Operational File Checks," 24 April 1950, MGB-A-5974, (S), in Bolschwing, [redacted]. Peter M.F. Sichel served as chief of the CIA's Berlin Operations Base from 1948 until 1952. A German refugee, Sichel was born in Mainz in 1922 and escaped from the Nazis. He joined the US Army in 1942 and served in France with the Seventh US Army's OSS Detachment. He remained in Berlin after the war and ran the base's positive intelligence operations. Gordon M. Stewart, the chief of the German Mission, rated Sichel as the "most experienced, most capable intelligence officer under my control" in 1949. Sichel later served [redacted] he resigned in 1960 to return to his family's wine business. Personnel file, Peter M.F. Sichel, [redacted]

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> UNREST requested us to extract or block files which he believed were in the Berlin Document[s] Center, to prevent their being sent to Austria in case of a request for them. This was done. These files, of which we have a copy, show that UNREST became a member of the NSDAP in 1932 with the number, 984 212. This is mentioned in his personal history. He was a member of the SD Hauptamt and in 1940 was promoted to Obersturmfuehrer, in 1941 to Hauptsturmfuehrer. In February 1945, he was demoted to enlisted man in the SS and thrown out of the organization. UNREST explains in his autobiography that he received in 1935 a pre-dated membership in the party, which made him appear to have been a member since 1932. Subject was arrested by the Gestapo first in the winter of 1937-38, later in 1942 in Greece, and in September 1942 in Vienna when he was sent to Berlin and held in a Gestapo prison until April 1943. No records of these arrests appear in the file from the Berlin Document[s] Center. UNREST's statement in his personal history, 'that he held no real SS membership and that his party membership was somehow mysterious' refers probably to the fact that as an SD man, he automatically became a member of the SS and that he received his party membership in 1935, but ostensibly belonged beginning in 1932. We believe that further explanation of UNREST's SD, SS, and NSDAP connections are in order and will request that he provide it. We will later explore UNREST's reasons for keeping these files from the Austrians.[25] (S)

As [redacted] soon learned, Bolschwing's ostensible reason for having the Americans deny his Nazi record to the Austrian Government centered around his own suspicious business activities in that country. Bolschwing worked in an American-sponsored firm, the Austria Verlags GMBH, but ran into tax problems with the Austrians. As matters developed, the CIA denied Bolschwing's Berlin Documents Center file not only to the Austrians, but also to the 430th CIC Detachment and the Army's Criminal Investigations Division (CID). This problem dragged on through 1950, eventually leading the CIA to request the CID's assistance in stalling any Austrian investigation of

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[25] "AUSTRODEUM II," Extract of Report, 20 March 1950, MGL-A-1540, (S), in Bolschwing, [redacted] DO Records. (S)

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Bolschwing.[26] While both of the Army agencies took no action in Bolschwing's favor, the CID also declined to provide any assistance in the Austrian probe. The Austrian Government apparently dropped the case by the end of 1950 for lack of evidence.[27] (S)

Poor Performer (U)

In the midst of Bolschwing's legal problems, CIA also expressed dissatisfaction with his overall performance. Redesignated as USAGE in March 1950, Bolschwing failed to redirect his efforts to expanding coverage in southeastern Europe; rather he preferred to supply "political information, largely overt" about internal Austrian matters. "This," Critchfield noted in August 1950, "is quite contrary to our desires, since our primary interest is in fact in the Balkans and not in Austria." At a meeting with Bolschwing that month, Critchfield told him explicitly:

> USAGE must immediately shift his emphasis not only to clandestine operations into the Balkans, but within this field must get down to the business of reporting detailed operational information and bridle his own tendencies to produce political and sociological studies, interesting from an historical and academic point of view, but not the type of material which will ensure continuance of his salary. The history of the Legionary Movement in Romania, which he has been preparing for from

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[26] At least 24 cables about Bolschwing's tax situation and CIA's efforts are located in Bolschwing, [redacted], DO Records. (S)

[27] For CIA's summary report of Bolschwing's tax case, see "USAGE Status as of 15 June 1951," (S), in Bolschwing, [redacted] DO Records. An Austrian report noted Bolschwing's affiliation with the "CIC" in Salzburg and that he did not undergo denazification because he claimed to have been an active underground fighter. Report also states Bolschwing's SS rank and that he served in the SD. See Chief of Station, Vienna, to Chief of Station, Karlsruhe, "Austrian Police Report on Otto von Bolschwing," 12 November 1950, MAV-A-7053, (S), in Bolschwing, [redacted], DO Records. (S)

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> four to six months, will be of interest and possibly add some new information on the subject. However, USAGE must first establish his position with us as a clandestine operator before we are willing to finance the exploitation of his intellectual interest in the Balkan problem.[28] (S)

Bolschwing reacted with surprise to the American discontent with his "reporting," and he spoke of "his Austrian coverage and connections as the aircraft carrier from which he can operate into the Balkans." He promised, however, to expand his contact with Papanace's Romanian sources as well as activate two projects in Hungary.[29] Bolschwing, in fact, traveled to Rome with Austrian Iron Guard leader Ion Magarit to consult with Papanace about resurrecting nets throughout Romania and Greece. Bolschwing, using an Army cover as Captain Albert A. Eisner (provided by the CIA), never fully reported the results of his Rome trip and nothing really came out of his collaboration with the Iron Guardists. (S)

What little information Bolschwing provided about his operational activities disappointed CIA. He did provide the identities of the sources in his networks, but the Agency dropped the Papanace connection in early 1951 as too expensive and duplicative of information already obtained in Italy.[30] Pullach also questioned the effectiveness of his ongoing Austrian projects and proposed Hungarian projects. In the summer of 1951,

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[28]Extract, MGL-A-3208, 29 August 1950 [Notes of Meeting between Critchfield and Bolschwing, 24 August 1950], (S), in Bolschwing, [redacted], DO Records. See also Chief of Station, Karlsruhe to Chief, FBM, "OFFSPRING-Austria," 29 August 1950, MGL-A-3208, (S), in DO Records, [redacted], Box 5, Folder 5, CIA ARC. Bolschwing's codename changed from UNREST to USAGE on 17 March 1950. (S)

[29]Chief of Station, Karlsruhe to Chief, FBM, "USAGE/Operational Report," 12 September 1950, MGL-A-3321, (S), in Bolschwing, [redacted], DO Records. (S)

[30]The identities of many of Bolschwing's contacts and Headquarters trace results are located in his 201 file. For an example, the 1952 Personal Record Questionnaire on Dr. Anton Fellner, an Austrian lawyer, is located in the 201 file. Fellner published a Nazi paper, the *Volkischer Beobachter* in Austria before the war. He later commanded a propaganda unit in Russia and became a colonel in the SS. Many of Bolschwing's contacts and subagents shared similar backgrounds. (S)

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Pullach base reevaluated Bolschwing in a report to Headquarters. "It seems apparent," an Agency report summed up, "that while Pullach relations with USAGE have been cordial, and while USAGE has professed to be completely cooperative, Pullach has not been much more successful than ZIPPER [the Gehlen Organization] in terms of overall results." Critchfield added, "there appears to be little hope that he will ever develop into a first class agent."[31] (S)

A Very Rare Bird (U)

Rather than drop Bolschwing as an unproductive agent, Pullach base transferred him to the Salzburg Operations Base in Austria.[32] Bolschwing's new case officer, [redacted], quickly found him to be "reliable, efficient, amenable to direction, and can be increasingly guided into activities directly supplementary to Austrian Station activities."[33] [redacted] reported to Headquarters that USAGE "is genuinely devoted to the United States; he possesses truly extraordinary energy and efficiency; and he will cheerfully accept and is anxious to receive direction and guidance." He excused Bolschwing's previous failure by putting the blame on the Pullach base. "It would appear," [redacted] wrote, " that his past sins–which were in any event chiefly the result of

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[31]"USAGE Status as of 15 June 1951" and "Romania," in Bolschwing, [redacted], DO Records. Donald Huefner at Headquarters demanded that the Pullach Base determine what it planned to do with Bolschwing. Chief, FBM to Chief of Station, Karlsruhe, "USAGE," 31 July 1951, MGK-W-9897, (S), in Bolschwing, [redacted], DO Records. (S)

[32]Cable, Washington to Pullach, Salzburg, 22 January 1952, Washington 23751, [no OUT number listed], (S), in DO Records, [redacted] Box 14, Folder 5, CIA ARC. See also Chief of Station, Frankfurt to Chief, EE, "Takeover of USAGE by SALZ," 5 February 1952, (S), in Bolschwing, [redacted], DO Records. (S)

[33]Chief of Station, Vienna to Chief, EE, "USAGE–Salzburg Base Assessment," 7 May 1952, MAS-A-1618, (S), in Bolschwing, [redacted], DO Records. (S)

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lack of thorough direction–may be forgiven." [redacted] considered Bolschwing "one of the most valuable assets of the Austrian Station," and accepted his story about his Nazi past.[34] (S)

Bolschwing now claimed to have several new projects, including penetration operations into Czechoslovakia, intelligence sources on the Soviet zone in Austria, and contacts with Austrian police and political parties.[35] For the next two years, Bolschwing (now known as GROSSBAHN after his transfer to Salzburg) provided a vast amount of information on the Soviet zone while also supporting Salzburg's REDCAP and REDSKIN programs. He worked for the CIA under a loose journalistic or publishing cover with seven subagents. In early 1953, the Agency estimated the total yearly cost for Project GROSSBAHN (including Bolschwing and his sources) at $20,000.[36] (S)

Bolschwing's main activity during this period, however, focused less on intelligence gathering than in winning admittance to the United States. In early September 1952, [redacted] agreed with several other CIA officials that Bolschwing should depart Austria for America for security purposes. Noting his "long and faithful service for US intelligence," [redacted] felt that "the granting of citizenship and contract agent clearance to GROSSBAHN would permit him to concentrate his full energies on operations and his own support problems and to integrate his activities directly with

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34 [redacted], known as [redacted] was born in 1915 and served in the US Army in Europe during the war. He joined CIG in late 1946 and served in Frankfurt, Karlsruhe, and Berlin before his assignment to Salzburg as chief of Hungarian operations. Immediately prior to his arrival in Austria, [redacted] had worked on the ZIPPER Desk in Washington. [redacted] retired from the CIA in 1965 and died ten years later. Personnel file, [redacted]

35 Undated, unsigned report of Bolschwing operations at time of takeover by Salzburg Operations Base in Bolschwing, [redacted], DO Records. (S)

36 Acting Chief, Projects Branch to Chief, Plans, "Project GROSSBAHN (Formalization and Renewal)," 16 February 1953, (S), in Bolschwing, [redacted], DO Records. (S)

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DYCLAIM [CIA] systems and targets." [redacted], chief of Salzburg Operations Base, concurred in this recommendation and added:

> We are certainly aware of the exceptional measures we are asking in GROSSBAHN's case, but we feel that the action will be most beneficial to the operations of this base. GROSSBAHN is an exceptional individual and offers, we believe, sufficient long range potential to warrant extraordinary measures to get him on the team. He is devoted to United States interests, vitally interested in and capable of long term intelligence work, and has all the earmarks of a professional intelligence operator and executive. Coupled with his demonstrated loyalty and reliability, these qualities make him a very rare bird, and one we should go to considerable pains to exploit.[37] (S)

To support Bolschwing's immigration, [redacted] prepared a packet pertaining to his intelligence work. Bolschwing contributed another account of his life, Nazi activities, and work for the resistance. After reciting his story (in a more embellished form than his 1949 account), Bolschwing now exclaimed, "I may also state that I have never been in the pay of SS or the party or the German Government, and I flatter myself that at least in this respect I am an exception."[38] (S)

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[37]Chief of Station, Vienna to Chief, EE, "GROSSBAHN - US Citizenship," 29 September 1952, EAS-A-112, (S), in Bolschwing, [redacted], DO Records. [redacted], born in 1921, received his degree in Romance Languages from Ohio State University in 1943. That same year, he was inducted into the US Army and joined OSS in October. He served with X-2 in the European Theater of Operations and remained in Europe after the war. From October 1947 through early 1949, [redacted] was CIA's liaison officer with the European Command in Frankfurt and Heidelberg. He then became chief of the Karlsruhe Operations Base during 1949-50 before moving to Vienna as the chief of the Hungarian Operations Section until 1952. At that point, he took over the Salzburg Operations Base through 1954 and oversaw Bolschwing's activities. [redacted] later served [redacted]. He retired in 1974 and died in 1978. [redacted]

[38]Ibid. The Austrian Station also sent information to Headquarters concerning Bolschwing's second wife and child. See Chief of Station, Vienna to Chief, EE, "GROSSBAHN—US

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Upon the receipt of [redacted] packet, Washington observed that Bolschwing's proposed immigration raised several questions. Headquarters asked whether the Austrian Station understood the legal requirements for a foreigner to gain an immigrant visa and obtain US citizenship. The process, it declared, was not as simple as bringing Bolschwing to America for three months and then returning him to Austria. On another note, Washington asked what advantages American citizenship would give Bolschwing as a long-term agent in Austria.[39] Headquarters warned that "in the event that it is finally decided to go through with the proposed course of action, Grossbahn should clearly understand that we do not and cannot assume unlimited responsibility for him."[40] (S)

The Headquarters communique engendered more discussion in Austria. [redacted], Bolschwing's newest American case officer, detailed in a lengthy memorandum in the spring of 1953 why Salzburg Base wanted Bolschwing to move to the United States. [redacted] defended the course of action because "we feel GROSSBAHN's background and experience qualifies him for consideration in a position as closely approximates that of staff status as his citizenship will allow." After elaborating on several points, [redacted] added that "we will do all possible to imprint in his mind that taking the initial steps toward US citizenship will in no way obligate us, morally or otherwise, to assist him in his relocation should the course of events force his severance with KUBARK [CIA]."[41] (S)

Citizenship, 1 October 1952, EAS-A-113, (S), in Bolschwing, [redacted] DO Records. (S)

[39]Chief, EE to Chief of Station, Vienna, "GROSSBAHN–US Citizenship," 10 November 1952, EAV-W-288, (S), in Bolschwing, [redacted] DO Records. (S)

[40]Ibid. (S)

[41]Chief of Base, Salzburg to Chief, EE, "Grossbahn–US Citizenship," 14 April 1953, EAS-A-1188, (S), in Bolschwing, [redacted], DO Records. (S)

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After several months of back-and-forth discussions, Headquarters authorized Bolschwing's move to the United States.[42] The Agency, however, refused to use its special legal procedure and warned that it could take some time for the INS to waive Bolschwing's Nazi party membership and allow him to enter the United States. Washington also warned that it would terminate its association with Bolschwing upon his immigration "unless much stronger, more specific plan presented for future work upon return to Austria. On basis past performance we [are] unconvinced future efforts as recruiter will be productive enough to warrant undertaking sponsorship his return. Such sponsorship," Washington added, "[is] bound to make ultimate disposal much more difficult."[43] (S)

Bolschwing applied for a regular immigration visa under the German quota at the American Consulate General in Munich in August 1953. The Eastern Europe Division asked the Agency's Alien Affairs Division to coordinate Bolschwing's arrival in America with the Immigration and Naturalization Service. The CIA did not conceal Bolschwing's NSDAP membership or his SD service from the INS. EE, however, did not offer details about his past other than repeating Bolschwing's own stories.[44] Meanwhile, the CIA in Austria "rechecked" third agency files, notably CIC and USFA, G-2. Two of the

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[42]Bolschwing was not the only member of Gehlen's staff to enter the United States. For a list of postwar West German intelligence service personnel residing in America, see Chief, EE to Chief of Base, Pullach, "Former ZIPPER/UPSWING Personnel in the US," 21 December 1956, EGL-W-2995, (S), in DO Records, [redacted], Box 2, Folder 38, CIA ARC. (S)

[43]Cable, DCI to Senior Representative Austria, 28 August 1953, Director 17553, OUT 84658, (S) in Bolschwing, [redacted], DO Records. (S)

[44]Chief, EE to Director of Security, ATTN: Alien Affairs Officer, "Request for Aid in Facilitating US Entry for Agent," [undated], (S), in Bolschwing, [redacted], DO Records. See also [redacted] to [redacted] "Mechanics of Aiding Agent to Obtain US Visa," 19 May 1953, (S), in Bolschwing, [redacted] DO Records. A note at the bottom of this page states that the CIA anticipated problems in obtaining visa because of Bolschwing's Nazi party affiliations. (S)

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documents found in this new search (both derived from informants) identified Bolschwing as a member of Adolf Eichmann's staff.[45] (S)

Significant Reactions (U)

The CIA responded to this evidence by ordering a third polygraph examination in September 1953.[46] The Agency tried on three occasions to ascertain Bolschwing's bona fides through polygraph testing. After his first exam in April 1952, the examiner concluded Bolschwing was not trying to conceal anything important from the Agency. "It would, of course, be remarkable if the subject had nothing important to hide from us. He several times stated that his life was an open book to us, and we could ask what we like. Sensitivity to the question was not of an order that would indicate this man had something vitally important to conceal from us but that there was at least one thing that he would rather not discuss about his past."[47] (S)

Immediately prior to his departure for the United States, the Agency again interrogated Bolschwing, "a rather poor LCFLUTTER subject," for a total of 22 hours over three days in September 1953. The examiner determined that "it appeared questions regarding subject's activities prior to 1945 cause more LCFLUTTER tension and

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[45]Chief of Base to Chief, EE, "Otto von Bolschwing–Local Traces," 28 September 1953, EAS-A-2171, (S), in Bolschwing, [redacted], DO Records. (S)

[46]Bolschwing's first polygraph took place in April 1952 and a second test occurred in May 1953 when the CIA learned that one of his agents had been in touch with Wilhelm Hoettl. See Chief, EE to Chief of Base, Salzburg, "Grossbahn–CC-2," 26 November 1952, EAS-W-82, (S); Chief of Base, Salzburg to Chief, EE, "Grossbahn–CC-2," 2 February 1953, EAS-A-770, (S); and Chief of Base, Salzburg to Chief, EE, "Grossbahn–General Security," 6 May 1953, EAS-A-1310, (S), all in Bolschwing, [redacted] DO Records. (S)

[47]Chief of Station, Frankfurt to Chief, EE, "Detailed Report of CARRIAGE Test of USAGE on 19 April 1952," 21 April 1952, MGM-A-09283, (S), in Bolschwing, [redacted], DO Records. (S)

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disturbance than questions regarding his activities subsequent to 1945." When asked, for example, about his connection to Adolf Eichmann, Bolschwing claimed that he had met him only twice and refused his offer to join the "Eichmann *Sonderkommando*." After "detailed discussion" on this point, the examiner concluded that "it does not appear that subject has been withholding any important information regarding Eichman[n], but considering his initial reaction to the question it is some minor fact related to the matter that subject is unwilling to mention."[48] (S)

When asked about any official positions that he had held with the Nazis, Bolschwing "produced significant reactions every time that particular question was asked." The polygraph operator then compared Bolschwing's reactions to questions that dealt with his activities both before and after the end of the war. "It is this examiner's considered opinion that this difference is not due to any deception but rather to the fact that subject is unable to recall all the exact details behind all the activities that he has engaged in prior to the war and during the war, and therefore becomes emotionally disturbed by the thought that he might have forgotten some essential point."[49] (S)

Despite the fact that the CIA had already told the INS about Bolschwing's NSDAP membership, Agency officials in Austria advised him not to admit this fact after his arrival in the United States.[50] The CIA worried that if Bolschwing admitted this at a later date, the INS "would be forced, for appearances sake, to follow the letter of the law"

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[48] [redacted] to Chief of Operations, Salzburg, "LCFLUTTER Test of GROSSBAHN," 29 September 1953, SIM/89, (S); and Cable, Senior Representative Austria to DCI, 30 September 1953, Salzburg 1755, IN 22563, (S); [redacted] to Chief, EE, "Resume LCFLUTTER Test of Grossbahn," 15 October 1953, EAG-A-2210, (S), all in Bolschwing, [redacted], DO Records. (S)

[49] Ibid. (S)

[50] The CIA also informed the State Department about Bolschwing's immigration and Nazi record. See Cable, Senior Representative Austria to DCI, 20 November 1953, Salzburg 1984, IN 35971, (S), in Bolschwing, [redacted], DO Records. (S)

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and deport the German. The Agency had obtained Bolschwing's immigration visa over the objections of the Immigration and Naturalization Service. [redacted] also told Bolschwing not to contact any member of the Central Intelligence Agency in the United States except in case of "dire emergency." This restriction included the renewal of social contacts or trying to reenter the intelligence business.[51] (S)

Headquarters quickly responded to the field station's request for guidance about what Bolschwing should state about his Nazi record. In addition to warning Bolschwing against applying for any sensitive or government jobs, EE elaborated on what approach Bolschwing needed to take in the United States:

> Assuming that he has not denied Nazi affiliations on his visa application form, he should definitely not deny his record if the matter comes up in dealings with US authorities and he is forced to give a point-blank answer. Thus, if asked, he should admit membership, but attempt to explain it away on the basis of extenuating circumstances. If he were to make a false statement on a citizenship application or other official paper, he would get into trouble. Actually, GROSSBAHN is not entering the US under false circumstances, as ODURGE [INS] will have information concerning his past record in a secret file. He will enter legally under an ODURGE interpretation of the provisions of the immigration law applicable to his case. (Of course we are asking that they grant such a favorable interpretation.)[52] (S)

By the end of 1953, Bolschwing had turned over his subagents to his CIA case officers, although Salzburg Base expected his departure to be delayed until January 1954. This layover required an extension of Bolschwing's immigrant visa, which expired in

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[51] Chief of Base, Salzburg to Chief, EE, "GROSSBAHN–Termination," 29 October 1953, EAS-A-2412, (S), in Bolschwing, [redacted], DO Records. (S)

[52] Chief, EE to Chief of Base, Salzburg and Chief of Station, Vienna, "GROSSBAHN–Termination, 24 November 1953, EAS-W-576, (S), in Bolschwing, [redacted], DO Records. (S)

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December 1953.[53] The base, meanwhile, tied up loose ends–a chore complicated once again by the fact that Bolschwing had never paid Austrian taxes. The Agency circumvented this dilemma by having Bolschwing and his household baggage leave the country under the identity of Army Capt. Albert D. Eisner–the cover name that Bolschwing had used in his earlier tax battles.[54] (S)

A Permanent Goodbye to Intelligence Activities (U)

In wrapping up affairs with Bolschwing in Austria, [redacted], his case officer, summarized the course of events that resulted in his immigration. "It was the consensus of opinion (Headquarters, VOB, and SOB) that Agent's time in Austria had been used up; he was too badly compromised and too well identified as being a KUBARK agent in all circles." [redacted] added, "Grossbahn was told that his days of usefulness in Austria were rapidly drawing to a close, and if he were ever to realize his ambition of getting to the States and becoming a US citizen, now is the time to do it." [redacted] also advised Bolschwing, "if he did not accept the terms being offered to him at present, no guarantee could be made as to his ultimate future."[55] (S)

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[53]Chief of Base, Salzburg to Chief, EE, "GROSSBAHN–Progress Report for the Period 1 October to 30 November 1953," 10 December 1953, EAS-A-2619, (S); and Chief of Base, Salzburg to Chief, EE, "GROSSBAHN–Termination," 10 December 1953, EASA-2619, (S), both in Bolschwing, [redacted], DO Records. (S)

[54]Chief of Base, Salzburg to Chief, EE, "GROSSBAHN–Final Termination Report," 27 January 1954, EAS-A-2869, (S), in Bolschwing, [redacted], DO Records. (S)

[55]Ibid. Bolschwing received termination benefits of $400 including a bonus of six months' pay as well as free transportation on the SS *Andrea Doria* from Genoa, Italy to New York. Chief, EE to FI/Plans, "Termination of Project Grossbahn," 22 December 1953, (S), in Bolschwing, [redacted], DO Records. At the conclusion of the project, the CIA had 55 reels of microfilm of Bolschwing reports with an additional ten reels of indexes dating from 1948. See Memorandum for Record, [redacted], Records Integration/Projects Officer, "Grossbahn

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As he left Austria for the United States (under the sponsorship of Roy Goggin, who had met Bolschwing at the end of the war), the German agent expressed his pleasure. "I have regarded it an honor to serve the United States and its Government. I feel utmost gratitude that I am admitted to the United States to become a citizen."[56] After an uneventful trip, Bolschwing and his family arrived in America and quickly settled in the new country. Writing from the Henry Hudson Hotel in New York City to his CIA point of contact, Bolschwing admitted, "I do wish to express my thanks for the excellent arrangements with the Immigration Authorities. We were called for on the boat and the Chief Inspector, who was in possession of a Govt. Memorandum signed by Asst. Commissioner Hogan, personally saw to our immediate being passed through all formalities."[57] (S)

With a sigh of relief, Headquarters reported the safe arrival of Bolschwing in New York to Agency personnel in Austria. EE Division stated, "it seems difficult to believe that the Grossbahn case is at last at an end, and we sincerely hope that he has said a permanent goodbye to intelligence activities."[58] (S)

Files [redacted]),"16 January 1956, in Bolschwing, [redacted], DO Records. Additional paper records pertaining to Bolschwing are found in DO Records, [redacted] Boxes 9, 13, and 14, CIA ARC. The Bolschwing microfilm is located in DO/IMS, Central Files Branch. (S)

[56]For Bolschwing's sponsorship, see Chief of Base, Salzburg to Chief of Mission, Germany, "GROSSBAHN - Termination," 23 October 1953, EAS-A-2381, (S), in Bolschwing, [redacted] DO Records. Bolschwing's note is located in his 201 file. (S)

[57]Bolschwing to [redacted] ' 2 February 1954, in Bolschwing, [redacted], DO Records. (U)

[58]Chief, EE to Chief of Base, Salzburg, [no title, no date], EAS-W-679, (S), in Bolschwing, [redacted], DO Records. (S)

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Chapter Eleven

American Intelligence and the Jewish *Brichah* (U)

Throughout late 1945 and early 1946, the Strategic Services Unit received reports from its stations in Europe about a Jewish underground movement in Europe. Known collectively as the *Brichah*, or the Escape, couriers of the Jewish Agency, including members of the Jewish Brigade serving with the British army, escorted Jews from Eastern Europe to safety in the West with the goal of bringing them to Palestine.[1] The estimated one million European Jews who had survived the Holocaust posed a serious health issue for the Allies, but, more importantly, a resettlement problem. Many had lost their entire families and few wanted to return to their homes, even if they still existed in the Soviet Union and Eastern Europe. Outbreaks of anti-Semitism in Poland and

[1]The Jewish struggle to achieve an independent state marked the first step in Great Britain's lengthy retreat as an imperial power. The *Palmach*, the strike force of the *Haganah*, the military arm of the Jewish Agency in Palestine, and two terrorist organizations, the *Irgun Zvai Leumi* and the *Lochmei Heruth Israel* (respectively called the Irgun and the Stern Gang), caused heavy losses among British military and security forces between 1944 and 1948. The influx of refugees from Europe was the visible indicator of tensions between the Jews, the Arabs, and the British in Palestine. For accounts of British military and intelligence operations in Palestine, see J. Bowyer Bell, *Terror Out of Zion: Irgun, Lehi, and the Palestine Underground 1929-1949* (New York: St. Martin's Press, 1977); Gregory Blaxand, *The Regiments Depart: A History of the British Army, 1945-1970* (London: William Kimber, 1971); David A. Charters, *The British Army and the Jewish Insurgency in Palestine 1945-47* (London: MacMillan, 1989); David A. Charters, "British Intelligence in the Palestine Campaign, 1945-47," *Intelligence and National Security* 6 (January 1991), pp. 115-40; A.J. Sherman, *Mandate Days: British Lives in Palestine 1918-1948* (New York: Thames and Hudson, 1997); and Saul Zadka, *Blood in Zion: How the Jewish Guerrillas Drove the British Out of Palestine* (London: Brassey's, 1995). For a description of the Irgun's war against the British by its leader and later prime minister of Israel, see Menachem Begin, *The Revolt* (New York: Nash Publishing, 1977, rev. ed.). (U)

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elsewhere pushed thousands of the remaining Jews from Eastern Europe into the western Allied occupation zones in Germany and Austria. The Zionist movement, which had its origins decades before the war, now acted as a siren for Jews to leave Europe for the British Mandate in Palestine.[2] British policy, however, called for the restriction of Jewish immigration into Palestine.[3] Thus, the movement of these refugees from Europe,

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[2]In 1890, the term "Zionism" was first used to refer to the return of the Jewish people to Palestine, their Biblical home. After 1896, Zionism also became a political movement under Theodor Herzl, a Hungarian Jew who worked in Paris. After witnessing growing anti-Semitism in France, Herzl became imbued with the idea of a national home for the Jews. In 1897, he founded the World Zionist Organization to push for a Jewish state in Palestine. In the meantime, Jewish pioneers from Eastern Europe settled in Palestine and formed kibbutzim, or collective agricultural settlements. After the outbreak of World War I, Arthur James Balfour, the British Foreign Secretary, wrote a prominent British Jewish leader in 1917 that the British government advocated "the establishment in Palestine of a national home for the Jewish people, and will use their best endeavours to facilitate the achievement of this object." The Balfour Declaration became the basis for Jewish claims for independent statehood. In 1922, the League of Nations granted the British control over Palestine under its mandate system. The British, in turn, organized the basic governmental structure in Palestine, including a Jewish Agency. Under David Ben-Gurion, the Jewish Agency acted as a quasi-governmental body in Palestine to promote Jewish affairs and to formulate domestic and foreign policies. For further details, see Hershel Edelheit and Abraham J. Edelheit, *History of Zionism: A Handbook and Dictionary* (Boulder: Westview Press, 2000); Bernard Reich, *Historical Encyclopedia of the Arab-Israeli Conflict* (Westport: Greenwood Press, 1992); and Bernard Reich and David H. Goldberg, *Political Dictionary of Israel* (Lanham: The Scarecrow Press, 2000). (U)

[3]In 1936, a British Royal Commission was appointed to examine the causes of Arab rioting in Palestine. Lord Robert Peel, the chairman, recommended that the Mandate be divided into a Jewish state, an Arab state merged with Transjordan, and a British enclave in Jerusalem. The British dropped this idea and in 1939, Malcolm MacDonald, the British Colonial Secretary, called for the establishment of one independent state in Palestine by 1949 under Arab domination. MacDonald's White Paper restricted the total immigration of Jews to 75,000 over the ten-year period; a move designed to ensure the Arab majority status in Palestine. Zionists regarded the White Paper as a betrayal of the Balfour Declaration and the Mandate itself. In 1945, after the revelations of the Nazi concentration camps and the election of the British Labour Party, Palestinian Jews hoped that the new British Government would abandon the 1939 White Paper. Instead, Prime Minister Clement Atlee and Ernest Bevin, his Foreign Secretary, reaffirmed the restricted immigration policies and, in fact, stepped up measures to keep European Jews out of Palestine. (U)

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either by legal or illegal means, became an important weapon in the Jewish resistance against the British in Palestine.[4] (U)

As the flood of Jewish refugees poured out of Eastern Europe through Germany and Austria to Italian ports, American intelligence discovered that the Soviets were trying to infiltrate these migration channels to smuggle Russian agents into the Middle East. According to an X-2 report from Paris in February 1946, the Soviets dispatched agents into the British and American occupation zones in Germany and Austria. Posing as Jewish victims of Nazi concentration camps, these agents would be processed through Allied displaced persons channels and infiltrate the secret Jewish smuggling rings. The Soviet agents planned to spread rumors throughout Europe and in Palestine that the British hated the Jews and supported the Arabs for control of the Holy Land. Ultimately, the Soviets wanted to draw the Jews closer to communism and incite them to revolt against the British in Palestine, according to an intelligence report given to the Americans by the French. In addition, the report listed the addresses of meeting places and names of numerous Jews in Austria involved in the smuggling of refugees in that country.[5] (S)

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[4]The literature on the fate of the Jews after World War II is extensive, including Thomas Albrich, *Exodus durch Osterreich: Die judischen Fluchlinge 1945-1948* (Innsbruck: Haymon-Verlag, 1987); Yehuda Bauer, *American Jewry and the Holocaust: The American Jewish Joint Distribution Committee, 1939-1945* (Detroit: Wayne State University Press, 1981); Yehuda Bauer, *Flight and Rescue: Brichah* (New York: Random House, 1970); Yehuda Bauer, *From Diplomacy to Resistance: A History of Jewish Palestine 1939-1945* (New York: Ateheum, 1970, rep. ed. 1973); Yehuda Bauer, *Out of the Ashes: The Impact of American Jews on Post-Holocaust European Jewry* (Oxford: Pergamon Press, 1989); Michael Berenbaum and Abraham J. Beck, eds., *The Holocaust and History: The Known, the Unknown, the Disputed, and the Reexamined* (Bloomington: Indiana University Press, 1998); and Ted Szulc, *The Secret Alliance: The Extraordinary Story of the Rescue of the Jews since World War II* (New York: Farrar, Straus & Giroux, 1991). (U)

[5]SAINT, Paris to See Distribution, "Soviet Propaganda Agents Sent to Palestine," 7 February 1946, FPX-7320, (S), in Records of the Directorate of Operations, [redacted], Box 4, Folder 11, CIA ARC. (S)

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Other reports also discussed Soviet efforts to exploit the Jews. A summary of a Bern report, for example, highlighted the Soviet penetration of Jewish organizations in Austria by using the black market to raise funds.[6] Capt. James J. Angleton, the head of X-2 in Italy, reported on Jewish escape efforts in January 1946. He cited sources that claimed the Russians were actively assisting the Jews to flee from Poland. Angleton relayed information that the Russians had provoked the Poles to attack the Jews in an effort to discredit the Polish Government; to force the British to face the question of a Jewish homeland in Palestine; and to justify Soviet repression in Poland.[7] In other dispatches during the first half of 1946, Angleton submitted Italian intelligence reporting on Jews transiting that country en route to Palestine, including the names of ships that carried the Jews from Italian ports.[8] (S)

As concern mounted about Soviet efforts to infiltrate the *Brichah*, X-2 in Washington proposed that its field stations penetrate the Jewish underground to determine the extent of the subversive activities. The ideal agent for this mission, Headquarters stated in early March 1946, would be a noncommunist Jewish refugee

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[6]Summary of Bern 1817, [no date], (S), in DO Records, [redacted], Box 4, Folder 11, CIA ARC. (S)

[7]X-2, Italy, "The Jewish Problem in Poland," 8 January 1946, JZX-6085, (S), in DO Records, [redacted], Box 4, Folder 11, CIA ARC. (S)

[8]X-2, Italy, "Clandestine Traffic of Jews and Arms from Italy to Palestine," 4 April 1946, JZX-7576, (S); and BB-8 [Angleton], to JJ-1 [James R. Murphy], "Clandestine Jewish Traffic to Palestine," 2 May 1946, JZX-7998, (S); X-2, Italy, "Jewish Escape Routes to Palestine; Possible Soviet-Agent Infiltration Therein," 9 May 1946, JRX-3044, (S); BB-8 [Angleton] to JJ-1 [Murphy], "Jewish Escape Routes and Relevant Problems," 23 May 1946, JRX-3257, (S); BB-8 [Angleton] to JJ-1 [Murphy], "Jewish Escape Routes," 28 May 1946, JRX-3301, (S); BB-8 [Angleton] to JJ-1 [Murphy], "Jewish Escape Routes," 29 May 1946, JRX-3336, (S); BB-8 [Angleton] to JJ-2 [identity unknown], "Jewish Clandestine Emigration to Palestine," 10 June 1946, JRX-3451, (S); BB-8 [Angleton] to JJ-2 [identity unknown], "Jewish Escape Routes," 10 June 1946, JRX-3477, (S); and BB-8 [Angleton] to JJ-2 [identity unknown], "Clandestine Expatriation of Jews to Palestine," 24 June 1946, JRX-3704, (S), all in DO Records, [redacted], Box 4, Folder 11, CIA ARC. (S)

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willing to go to Palestine. Once recruited, the American agent should be "advised to participate fully in Communist activities in Austria, Germany, or Italy short of violence." Of more importance than how the Soviets planned to spread their propaganda in Palestine, SSU wanted to discover detailed information regarding the escape routes, the identities of agents and their contacts, the location of their hideouts, the extent of their finances, and the sources of their falsified documents. Washington felt that this project could prove critical in understanding the *modus operandi* of the Soviets, and it encouraged the field to submit projects for review in Washington.[9] (S)

Project SYMPHONY (U)

Even before Washington sent its message, X-2 in Austria considered the Jewish *Brichah* to be a target. Maj. Edward P. Barry, the chief of SCI/A (as X-2 was formally known in Austria), later recalled, "this office began laying plans for a project which was to use the present extensive Jewish emigration for a source of CI information. Preliminary investigations on the subject plainly showed that no one in the American Forces in Austria had a clear picture of either the procedure or the agencies involved."[10] (S)

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[9]SAINT to SAINT, Austria, AMZON, and Rome, "NKGB Recruiting of Jewish Agents for Palestine," 12 March 1946, X2TS-2231, (S), in DO Records, [ ], Box 4, Folder 10, CIA ARC. (S)

[10]SAINT, Austria to SAINT, "Project SYMPHONY: Direct Overt Contact with Political Department, Jewish Agency," 10 May 1946, LSX-251, (S), in DO Records, [ ], Box 4, Folder 10, CIA ARC. Born in 1914 in Chicago, Edward P. Barry graduated from Northwestern University in 1936 after spending a year at the University of Freiburg in Germany. He joined the US Army in 1941 and rose to lieutenant colonel at the time of his release from SSU in late 1946. Barry first served with the Army's Counter Intelligence Corps in the Middle East and in Italy and later transferred to OSS as the head of X-2 in Austria. Following his return to civilian life, Barry attended law school at the University of Michigan. [ ]

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By early April, Capt. Jules Koenig, a member of X-2's small base in Vienna (the main office was in Salzburg), submitted a proposal to Headquarters "to use the influx of Jewish refugees into Austria from Romania, Czechoslovakia, Hungary and Poland for sources of CI information, for exact data on the Intelligence service of the Jewish Agency in Austria, and for all intelligence activities run by any persons or organizations who use this influx into Austria for such purpose."[11] (S)

Koenig, born in Belgium of Polish Jewish parentage, had served with OSS as an Army officer in the Middle East and in Italy. At the end of the war, he transferred to Austria and joined X-2 in Vienna. In his new assignment, Koenig observed firsthand the immigration networks flowing through the Austrian capital.[12] Koenig emphasized that the Jewish underground flight was not a new phenomenon. "The exodus of Jews from Russian-occupied countries," Koenig commented, "is an exact replica of the vast legal or

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[11] SCI/A, Vienna, "Original Project Report: SYMPHONY Project," [April 1946], LVX-216, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. Maj. Barry also informed the chief of the Austrian Mission about the new project in his monthly update. See Maj. Barry to Commanding Officer, SSU, War Department Mission to Austria, "Progress Report Covering the Period of 1-30 April 1946 X-2 Branch," 30 April 1946, (S), in DO Records, [redacted], Box 3, Folder 46, CIA ARC. (S)

[12] Jules Koenig (also spelled Konig) was born in Ostend, Belgium, in 1912, the son of Polish immigrants. He served in the Belgian army at the outbreak of the war and was evacuated to Great Britain after the fall of France. He worked for the Belgian Red Cross and held a variety of other jobs until he moved to the United States in 1942. Koenig was employed as a diamond cutter in New York when he was inducted into the US Army in 1943. Commissioned as a Signal Corps officer, Koenig joined OSS that same year. He remained in SSU until June 1946 when he returned to the United States and was discharged from the Army. Koenig reentered the diamond business in New York and was in periodic contact with former members of OSS. Koenig died in 1989. Jules Koenig, OSS Index Card, in WASH-HQ&HQ-DET-PERS-11, DO Records, [redacted] Box 19, [no folder listed], CIA ARC. See also various notes on Koenig in DO Records, [redacted], Box 4, Folder 10, and DO Records, [redacted], Box 2, Folder 2, CIA ARC. (S)

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illegal emigration movement which began at the ascension of the Nazi Party in Germany around 1932. Hundreds of thousands of Jews fled Germany to find their way to any safehaven in Europe or, more importantly, in Palestine."[13] (S)

As the Nazis shut down the legal movement of Jews from Germany and Austria, underground organizations aided the Jews to escape. Funded by outside groups, including the American Jewish Joint Distribution Committee (commonly called the "Joint" or the JDC), the Hebrew Sheltering and Immigrant Aid Society (HIAS), the Political Section of the Jewish Agency, and the *Aliyah Bet*, Jewish agents penetrated the Third Reich both to rescue the refugees and to collect intelligence during the war. These personnel later formed the basis for the *Brichah* in numerous European countries during 1945-46.[14] According to Koenig, "the various British Intelligence Services freely used the emissaries of this section [i.e. the Jewish Agency] for penetration, intelligence and DA [double agent] purposes. The representatives of the AJDC acted as a liaison with the

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[13]SCI/A, Vienna, "Original Project Report: SYMPHONY Project," [April 1946], LVX-216, (S), in DO Records, [ ] Box 4, Folder 10, CIA ARC. (S)

[14]The American Jewish Joint Distribution Committee was formed in 1914 to help Palestinian Jews suffering under the Ottoman Empire during World War I. During the Second World War, the Joint, under Dr. Joseph J. Schwartz worked with Shaul Meyerov (later known as Shaul Avigur), the head of the clandestine *ha-Mossad le-Aliyah Bet*, to smuggle Jews from Europe to Palestine. In 1939, after the publication of the White Paper, the *Haganah*, and the *Histadrut*, the General Foundation of Jewish Labor, formed the *Aliyah Bet* (interchangeably called the *Mossad*) to resist the British control of Jewish immigration. The Joint raised its funds from American Jews to finance the escape movement. The Joint and the *Aliyah Bet* worked with the Jewish Agency to establish their main posts in Lisbon, Marseilles, Istanbul, and later in Paris. As early as 1939, *Aliyah Bet* agents were in contact with Adolf Eichmann, the SS officer in charge of "Jewish Affairs" in an unsuccessful attempt to arrange the release of some 1,000 Jews from Austria. In 1944, Saly Mayer, the Joint's representative in Switzerland, provided funds to "buy" the release of over 1,500 Jews from Bergen-Belsen concentration camp. Other rescue missions, including that of Raoul Wallenberg, were the results of efforts by the Joint and *Aliyah Bet*. (U)

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Allied intelligence services and eventually financed this courier-cum-intelligence service."[15] (S)

In effect, Koenig saw the project, which he dubbed SYMPHONY, as a continuation of earlier wartime collaboration between the Allies and the Jews, and this time facing a new threat–the Soviet Union.[16] In his proposal to Headquarters, Koenig

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[15]SCI/A, Vienna, "Original Project Report: SYMPHONY Project," [April 1946], LVX-216, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. Some 240 Palestinian Jews volunteered to parachute into the Balkans in 1943 and the British established training camps in Cairo and Haifa. The following year, 32 men and women were, in fact, dispatched in joint British-*Aliyah Bet* missions into Romania, Hungary, Bulgaria, Italy, Slovakia, Austria, and Yugoslavia. The Nazis captured 12 of the Jewish agents and executed seven, including poet Hannah Szenes. The most successful of the Palestinian agents, Yesheyahu Trachtenberg, better known as Shaike Dan, had a remarkable wartime and postwar intelligence career and is remembered as the savior of thousands of Romanian Jews. (U)

[16]Despite opposition from the British who wanted to restrict American intelligence operations, OSS had a sizeable wartime presence in the Near East Theater of Operations (NETO). With its headquarters in Cairo and smaller bases in Greece and Turkey, OSS personnel and agents were scattered throughout the region. Three branches of OSS–Research and Analysis, Secret Intelligence, and X-2–had a total of six agents in Palestine reporting on both Jewish and Arab perspectives as well as ties to the Jewish Agency and its missions into Central Europe. In August 1944, OSS agreed to accept reports from the Jewish Agency, but refused to exchange American intelligence or even acknowledge the Jewish reporting. By the spring of 1945, OSS in Washington severed its contacts with the Jewish Agency. With the end of the war, the strength of the NETO mission quickly dropped. From 80 personnel in October 1945, SSU counted only 38 by the following spring. Likewise, the new organization had retained only one agent in Palestine, an American missionary. Late in 1945, SSU acquired Capt. Nicholas Andronovitch, who had been the Army G-2's Military Liaison Officer in Jerusalem, as its representative in Palestine. Andronovitch provided a steady stream of reports as the British Mandate became increasingly volatile. Both the State Department and the Army commended him for his work when he finally returned to the United States in 1949. Born in Russia in 1907, Andronovitch fled after the Bolshevik Revolution with his mother and sister to Turkey. He entered the United States from Cuba in 1930 and became an American citizen nine years later. He joined the US Army as an officer in 1943 and rose to lieutenant colonel. [redacted]

[redacted] For further information on OSS and SSU activities in Palestine, see *War Report of the OSS: The Overseas Targets*, Vol. 2. Introduction by Kermit Roosevelt (New York: Walker and Company, 1976), p. 47. [redacted]

[redacted] Clandestine Services Historical Paper [redacted]

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visualized SYMPHONY as having several immediate and long-term goals, both of an overt and covert nature:

- Immediate Aims (overt): To extract information of CI value from refugees escaping from Russian-occupied countries: composition, trends and activities of the Communist parties in those countries; location and identification of concentration camps in Russia and Russian-dominated countries; identification of NKVD deserters or NKGB deserters; identification of NKVD agents or Communist agents sent among the refugees; identification and elimination of Nazi elements, infiltrating amongst the refugees to escape punishment from the authorities of their respective countries.

- Immediate Aims (covert): To ascertain and locate the agents of the Jewish Agency in Austria who run both the emigration of Jews from Russian-dominated countries and a highly-efficient intelligence service into those countries; to ascertain and spot those persons who smuggle Jews out of those countries for high sums of money and who, being in contact with NKVD officials, also smuggle war criminals and agents into the Allied-occupied zones, to work either in Austria or in Palestine.

- Immediate Aims (covert): To locate those persons within official organizations, such as the Hungarian Red Cross, the Austrian Red Cross, the Italian Red Cross, some so-called repatriation committees with official and semi-official status, the UNRRA and the (Lublin) Polish repatriation committees, who provide false papers and identification cards to those smugglers and to the smuggled for the furtherance of this traffic; to take all measures of security safeguard to eliminate or neutralize such traffic when it becomes a danger to the security of the Allied-occupied zones or to its establishments and units.

- Long-Range Aims: To penetrate those organizations of whatever kind they are–Jewish, political or of intelligence nature of any country–which send Russian-trained or Russian-inspired agents through this flow of Jewish refugees to further propaganda or intelligence aims either in Allied-occupied zones of Austria or Germany, or in Allied countries such as France, Italy, the United States and/or Palestine.[17] (S)

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[17]SCI/A, Vienna, "Original Project Report: SYMPHONY Project," [April 1946], LVX-216, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

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CONDUCTOR (U)

Capt. Koenig also outlined the structure of the Jewish refugee groups in Austria and the various international organizations that supported the immigrants as they passed through the country. In particular, Koenig commented on the role of a young Austrian-born Jew, Arthur Pier, who represented the Jewish Agency in Vienna, but actually served as the head of the *Brichah* in Austria. Pier, according to Koenig, claimed to represent several Jewish newspapers, including the Palestinian Telegraphic Agency. "Officially Pier is here to collect items of Jewish interest for his newspaper employer, principally items on atrocities against Jews during the war and after," the American intelligence officer wrote. "Actually he runs a highly efficient intelligence net, through couriers into Romania, Czechoslovakia, Hungary and Poland. He is also running another net," Koenig reported, "which tracks down Germans either free or in captivity in Allied-occupied zones of Germany or Austria, who are suspected or proven to have been committing atrocities against Jews during the war." Pier then turned these war criminals over to the Allies while he also collected evidence for the Jewish Agency.[18] (S)

Pier's operational activities in Eastern Europe were of more immediate interest to Koenig than his Nazi-hunting skills. Koenig told Headquarters that Pier was the key link to facilitating the movement of Jews from the Russian-dominated countries, and he gave him the operational codename of CONDUCTOR. After organizing the Jews into small groups, Pier's agents led them surreptitiously across the border into Austria. The groups made their way to Vienna where the Joint initially placed them in the city's Rothschild

[18]Ibid. (S)

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Hospital. Pier screened the refugees for information desired by the Jewish Agency and then prepared to move them to other DP camps in the American zone. Those refugees intended for Palestine were placed in a camp near Salzburg while those who could not or did not want to go to the Middle East were sent to other camps in Germany. Koenig calculated that Pier was responsible for the smuggling of hundreds, if not thousands, of Jews on a monthly basis into Austria and eventually toward Italy and Palestine.[19] (S)

At first, Koenig posed as a journalist seeking information about the *Brichah*. As his questions became more of an intelligence nature, Koenig admitted to Pier that he was an American intelligence officer.[20] In the meantime, Koenig also wanted to place American personnel in the Jewish camps in Vienna, principally the Rothschild Hospital and the Jewish Agency's interrogation center on *Alserbacherstrasse*. These agents, also posing as American journalists, would collect intelligence on Soviet order of battle as well as economic and political information behind the Iron Curtain. US contact with the

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[19]Ibid. In addition to Pier's covert smuggling mission, Koenig discovered numerous illegal rackets in Austria. The representative of the Free Polish intelligence service in Salzburg also used the Joint to bring people out of Poland, while Koenig later reported that members of the French Mission in Budapest were also involved in a smuggling ring. Koenig also described a Hungarian Jew, named Alfred Schwartz, who had set up his own group, the "Jewish Repatriation Committee for Hungarian Deported Slave Workers and Concentration Camp Inmates," which essentially became a black market ring in Vienna. Koenig stated, "there is no doubt that the Russian intelligence services are using this flow of Jews to infiltrate Jewish or non-Jewish agents into the Allied zones." More sinister, Koenig uncovered the smuggling of Hungarian non-Jews, many with Nazi collaborationist backgrounds, from Budapest to Vienna. In some cases, the operator of this network, Gabor Salzer, circumcised the Nazi escapees so as to pass them as Jews for migration to Palestine with the connivance of the Soviets. For further details, see SCI/A, Vienna, "Jewish Emigration Racket Run by French Mission, Budapest," 19 April 1946, LVX-220, (S); SCI/A, Vienna, "Szak Ladislas, Agent for Political Police, Hungarian State Police," 1 May 1946, LVX-226, (S); SCI/A, Vienna, "Jewish Emigration Racket Run by Alfred Schwartz," 18 April 1946, LVX-219, (S); SCI/A, Vienna, "Jewish Clandestine Emigration under Salzer," 18 April 1946, LVX-217, (S); and SCI/A, Vienna, "Death of Salzer," 18 April 1946, LVX-218, (S), all in DO Records, [redacted] Box 4, Folder 10, CIA ARC. (S)

[20]SAINT, Austria to SAINT, "Project SYMPHONY: Direct Overt Contact with Political Department, Jewish Agency," 10 May 1946, LSX-251, (S), in DO Records, [redacted] Box 4, Folder 10, CIA ARC. (S)

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Jewish Agency, Koenig believed, would expand SSU's understanding of the personalities involved in the illicit smuggling of refugees. This aspect of the project, however, proved the most difficult given the lack of Americans who could speak Yiddish or Hebrew. Lastly, Koenig hoped to infiltrate a Jewish agent into the refugee pipeline to assess the extent of the Soviet penetration of this movement.[21] (S)

LILAC (U)

As he wrote his proposal in April 1946, Koenig already had selected a man to infiltrate the Jewish smuggling network. According to Koenig's notes, Erich Wender had an extensive background in intelligence as an agent for both the Germans and the British during the war. Born in 1907 in Austro-Hungary, Wender was a machine construction engineer who had immigrated to South America in 1928, but returned two years later to establish his own company in Austria. Arrested by the Gestapo in 1939 as a Jew, he was not sent to a concentration camp. Instead, the German *Abwehr* used Wender (known as Carol Popescu) as an agent in the Middle East. He was dispatched to Istanbul en route to Syria where he was to collect military information for the Nazis. Wender, however, turned himself over to the British in Turkey and was doubled. He also became an agent of the Joint and established a courier network in Eastern Europe. Wender, along with several other Jews, smuggled letters from the JDC in Istanbul into Hungary while also providing British feed material to the Germans.[22] (S)

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[21]SCI/A, Vienna, "Original Project Report: SYMPHONY Project," [April 1946], LVX-216, (S), in DO Records, [redacted] Box 4, Folder 10, CIA ARC. (S)

[22]SCI/A, Vienna, "Detailed Interrogation Report of Erich Wender @ Carol Popescu, @ Sheliach Eri. Former GIS and JOINT Agent," 12 April 1946, LVX-207, (S), in DO Records, [redacted] Box 4, Folder 10, CIA ARC. See also miscellaneous note cards with information on Wender in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

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In all, Wender made some 12 trips from Budapest to Istanbul between 1941 and 1943 when the Germans arrested him for communicating with the enemy. Wender was held in captivity until early 1944, but was transferred to an insane asylum after he was declared mentally incompetent following a suicide attempt. When he learned that the Gestapo planned to interrogate him again, Wender tried to escape from Budpaest, but he was betrayed to the Germans. He admitted all of his activities on behalf of the Joint to the Gestapo, and was held in Vienna as a prisoner until the Soviets entered the city in April 1945. The Russians then used Wender as an interpreter for an intelligence unit until his release after the German collapse. Wender accepted a position with the Joint in Vienna, but was later arrested by the American military in Vienna as a black marketeer.[23] (S)

On 19 April 1946, X-2 in Austria sent a cable to Washington requesting that Wender be vetted as an agent for Project SYMPHONY.[24] Koenig, in fact, had already commented on Wender's potential usefulness to the new project and the need to get him out of confinement. "Inasmuch as he is a fervent Zionist," Koenig wrote, "and has a very extensive knowledge of the Joint and Brichard [sic] organizations he may later be 'sprung' and used in project SYMPHONY."[25] Through Koenig's intervention, the US Army conducted a "mock trial" of Wender, and he was sentenced to 90 days in jail for his participation in the black market. Rather than being remanded to prison, Koenig took custody of Wender and informed him that he now worked for American intelligence. In

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[23]Ibid. (S)

[24]Cable, Vienna to Washington, 19 April 1946, Vienna 1056, IN 36089, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

[25]SCI/A, Vienna, "Detailed Interrogation Report of Erich Wender @ Carol Popescu, @ Sheliach Eri. Former GIS and JOINT Agent," 12 April 1946, LVX-207, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. See also miscellaneous note cards with information on Wender in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

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his new task, Wender, now designated as LILAC, would be Project SYMPHONY's conduit to collect on the Jewish Agency and penetrations by the Soviets as well as the British. Capt. Koenig would pay Wender 750 shillings a month and provide some rations for his work.[26] (S)

Headquarters accepted Koenig's use of Wender as an agent with some reluctance. "Previous information on subject from British sources," Washington reported, "appears to corroborate points in subject's story." Aspects of Wender's background raised questions as to his honesty and willingness to play all sides. "There seems little doubt that subject is a typical professional agent, and no more reliable than most of that stamp. There seems little reason to assume that he could be trusted any further than his own immediate interests lie, or that he would maintain a confidence any longer than it is to his immediate profit to do so," Headquarters noted. "Contact and use of subject should be predicated on this basis."[27] (S)

Upon receiving the memorandum from Headquarters, Capt. Koenig met with Wender and went over some of the points of confusion regarding his relationships during the war. In responding to Washington, Koenig commented, "it is our opinion that Wender basically told the truth." Looking at the whole man, Koenig observed, "Wender certainly is not the snow-white angel he occasionally pictures himself to be, but his Zionist activities are thought to be honest. As for his black market activities, this is so

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[26]SAINT, Austria to SAINT, "Progress Report–LILAC," 27 May 1946, LSX-280, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. In late May, Headquarters requested the codenames of Pier and Wender. See Cable, Salzburg to Washington, 28 May 1946, Salzburg 021, IN 37639, (S), and Cable, Vienna to Washington, 28 May 1946, Vienna 095, IN 37509, (S), both in DO Records, 78-03069R, Box 4, Folder 10, CIA ARC. See also Evelyn M. Williams to Corrinn Williams, "Symbol Identification," 29 May 1946, (S), in DO Records, [redacted] Box 4, Folder 10, CIA ARC. (S)

[27]SAINT to SAINT, Vienna, "Wender, Erich @ Carol Popescu," 17 May 1946, X-4623, (S), in DO Records, . [redacted] Box 4, Folder 10, CIA ARC. (S)

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current right here in Vienna that an honest businessman is as rare as snow in a very hot place." Koenig felt that he had suitable control over Wender, and that he could provide American intelligence with the information that it sought.[28] Koenig exerted considerable effort to glean as many details from Wender about his contacts during the war and how the Joint operated in Eastern Europe.[29] (S)

The Symphony Begins (U)

Throughout the spring of 1946, Koenig feverishly collected information about Pier's associates as well as transmitted information about the Austrian Jew to other stations.[30] He was also interested in the efforts of the other Allied powers in Austria to

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[28]Wender's background and activities also attracted the interest of the Russians. At the end of June 1946, Koenig learned that a Communist agent had offered Wender a job to inform on the Americans. See SCI/A, Vienna, "Hans Kraus, NKVD Agent," 29 June 1946, LSX-354, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

[29]SAINT, Vienna to SAINT, "Erich Wender," 28 May 1946, LSX-296, (S), in DO Records, [redacted] Box 4, Folder 10, CIA ARC. See also SAINT, Austria to SAINT, "Vienna Memo #375, dated 4 June 1946," 14 June 1946, LSX-A-6, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. For examples of information provided by Wender, see SCI/A, Vienna, "Project SYMPHONY: Heinrich Aigner, NKVD Agent," 5 June 1946, LSX-293, (S), SCI/A, Vienna, "Project SYMPHONY: Raoul (Rudolf) Kauntiz @ Korda," 5 June 1946, LSX-294; SCI/A, Vienna, "Present Location of GIS Personnel," 10 June 1946, LSX-295, (S); and SCI/Vienna, Project SYMPHONY: Teddy Ehrenthal, Jewish NKVD Agent in Budapest," 10 June 1946, LSX-292, (S); SCI/A, Vienna, "Project SYMPHONY: Henrik Neustadt," 12 June 1946, LSX-317, (S); SCI/A, Vienna, "Project SYMPHONY: Sandu Weissman," 12 June 1946, LSX-312, (S); SCI/A, Vienna, "Project SYMPHONY: Emigration Racket between Bucharest and Budapest," 12 June 1946, LSX-313, (S); SCI/A, Vienna, Project SYMPHONY: Kovacs (fnu)," 14 June 1946, LSX-318, (S); SCI/A, Vienna, "Project SYMPHONY: Stefan Vadasan, Joint Agency, Budapest," 20 June 1946, LSX-340, (S), all in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

[30]For example, see SCI/A, Vienna, "Suspected Agents Filtering through Emigration Channels," 19 April 1946, LVX-221, (S); SCI/A, Vienna, "Kepesz (Cover name), Right-hand Man of CONDUCTOR," 19 April 1946, LVX-222, (S); SCI/A, Vienna "Jewish Agency Men in Bindermichl Camp, Linz," 19 April 1946, LVX-223, (S); and SAINT, Vienna to SAINT, Cairo, "Arthur Pier," 22 April 1946, (S); SCI/A, Vienna, "Letter from Hungarian Jewish Agency to CONDUCTOR," 2 May 1946, LVX-229, (S); and SCI/A, Vienna, "Press Cable re Jewish

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collect information on the Jewish Agency.[31] Through various means (including telephone taps and mail intercepts), Koenig discovered that the Hungarians were particularly active in penetrating Jewish groups in Austria as were the Soviets.[32] On 22 April, for example, SCI in Vienna sent a report to Washington noting that Russian officers had visited Jewish camps in both the American and British zones. While inspecting the Bindermichl camp near Linz, one of Pier's agents, a man named Simon Wiesenthal, recognized a Soviet officer as a NKVD official.[33] Furthermore, Koenig's

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Situation in Hungary and Czechoslovakia," 4 May 1946, LVX-234, (S), all in DO Records, [redacted] Box 4, Folder 11, CIA ARC. (S)

[31]The British in Austria were especially interested in Pier's activities and sought to arrest those involved in the clandestine Jewish immigration. See SCI/A, Vienna, "Project SYMPHONY: British Interest in Jewish Emigration," 13 May 1946, LSX-256, (S), and SCI/A, Vienna, "Project SYMPHONY: British Interest in Jewish Emigration," 25 May 1946, LSX-277, (S), both in DO Records, . [redacted] Box 4, Folder 10, CIA ARC. Koenig also reported on Pier's efforts to counteract the collection of information by the British. See SCI/A, Vienna, "Project SYMPHONY: Robert Heller @ Valko, British Agent," 14 May 1946, (S); and SCI/A, Vienna, "Project SYMPHONY: Anglo-Russian Cooperation against Jewish Immigration in Austria," 28 May 1946, LSX-282, (S), all in DO Records, [redacted] ., Box 4, Folder 10, CIA ARC. (S)

[32]Transcripts of telephone taps and letter intercepts done by the Civil Censorship Group Austria (US) are found in the files. These records were provided to John G. Heyn, the head of X-2 in Vienna. See also SCI/A, Vienna, "Project SYMPHONY: Activities of Hungarian Political Police in Vienna," 13 May 1946, LSX-255, (S); SCI/A, Vienna, "Project SYMPHONY: Official Cable from ACC Hungary regarding Jewish Immigration," 13 May 1946, LSX-248, (S); SCI/A, Vienna, "Project SYMPHONY: Jewish Agency, Budapest, and Penetration of Russian Intelligence," 15 May 1946, LSX-257, (S); SCI/A, Vienna, "Project SYMPHONY: Activities of the Hungarian Political Police in Vienna," 21 May 1946, LSX-274, (S); SCI/A, Vienna, "Project SYMPHONY: Newspaper 'Vilagossag' Article on Budapest Jewish Council," 24 May 1946, LSX-533, (S), all in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

[33]SCI/A, Vienna, "Project SYMPHONY: Russian Interest in Jewish Emigration," 22 April 1946, LVX-224, (S), in DO Records, [redacted], Box 4, Folder 10, CIA. This same document is found in Simon Wiesenthal, [redacted], DO Records. Following his liberation from Mauthausen concentration camp at the end of the war, Wiesenthal worked with the Americans to round up German war criminals. As an employee of the US War Crimes Office in Linz, Wiesenthal focused his efforts on apprehending Adolf Eichmann, the "Architect of the Final Solution." He also established the Jewish Central Committee for the US Zone in Austria in Linz, coming in frequent contact with Arthur Pier whom he had met in Vienna in December 1945. The two men organized a joint operation to track down Eichmann through his supposed widow in Alt Aussee as well as a girlfriend in Urfahr. While these missions failed, Wiesenthal and Pier kept interest in Eichmann's whereabouts, which would eventually lead to his capture in South

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report noted that, during a Soviet visit to a Jewish DP camp in the British zone, Pier had a copy of a telegram from the British headquarters in Austria in his possession, leading Koenig to suspect that Pier had penetrated the British military itself.[34] (S)

On 25 April 1946, US military police in Vienna conducted a "surprise" raid on Jewish DP camps looking for evidence of black market dealings, foreign currency, and unauthorized US Army material.[35] The Army also searched Pier's apartment where it found a box of microfilmed OSS records as well as forged border-crossing permits. The fact that Pier had the OSS records in his possession raised eyebrows in Vienna and Washington, but fears were laid to rest when the documents were found to pertain to war

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America. For further details on Wiesenthal's work after the war and his connections with Arthur Pier, see Alan Levy, *The Wiesenthal File* (Grand Rapids: William B. Eerdmans Publishing Company, 1994) and Hella Pick, *Simon Wiesenthal: A Life in Search of Justice* (Boston: Northeastern University Press, 1996). (S)

[34]Koenig later reported that Pier had access to all of the British intercept files on his activities and those of the American Jewish Joint Distribution Committee. See SCI/A, Vienna, "Project SYMPHONY: Telephone Intercepts by British," 7 June 1946, LSX-302, (S), in DO Records, Job 78-03069R, Box 4, Folder 10, CIA ARC. In mid-June 1946, Koenig reported to Washington that he had learned from Pier that the Jewish Agency had a source in the British headquarters. Pier stated that Betty Thompson O'Donnell, a linguist and a member of the General Staff Intelligence (B) of the British Troops Austria in Vienna, provided information to the Jews. See SCI/A, Vienna, Project SYMPHONY: Betty Thompson O'Donnell," 20 June 1946, LSX-342, (S), in DO Records, [redacted], Box 4, Folder 10, CIA. In August of that year, Evylyn M. Williams, the Austrian Desk Officer at Headquarters, recommended that the British be informed of O'Donnell's work for the Jewish Agency. Williams remarked, "it is my opinion, as the staff member most exposed to the information coming in from the SYMPHONY Project, that most of the information is garbled, and of most uncertain accuracy. In the long run," she wrote, "there seems to be little gained by clutching this small piece of information about Miss O'Donnell to us and not passing it to the British." Williams felt that the O'Donnell lead could either be misinformation provided by the Jewish Agency or that she could have been a British-controlled source. See Untitled Memorandum, E.M. Williams, 16 August 1946, (S), in DO Records, [redacted], Box 4, Folder 10, CIA. Williams, born in 1915, had served as a civilian employee for the War Department from April 1941 until July 1942. She later served in Europe with X-2 as an officer in the Women's Army Corps. Williams joined SSU in Washington in January 1946 as a civilian and was assigned to the Austrian Desk during the spring and summer of 1946. She [redacted] transferred to the State Department. [redacted]

[35]SCI/A, Vienna, "Project SYMPHONY Progress Report," 2 May 1946, LVX-228, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

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crimes. OSS had apparently borrowed the documents from the Jewish Agency during the war and microfilmed them. The Americans then provided a copy of the microfilm to the Jewish Agency.[36] (S)

During the raid, the military police also arrested a man who turned out to be the long-awaited Soviet that Pier had offered the Americans in April. In his proposal to Washington, Capt. Koenig wrote, "information of high intelligence value is being promised by the Jewish Agency people. For instance," Koenig wrote, "the Jewish Agency people are arranging the desertion of a Jewish NKVD major in Vienna around the middle of May 1946." According to Koenig, Pier would allow American intelligence "to hold this Russian officer at its disposal until such time that his detention will not be necessary any more." As it turned out, Pier had not told Koenig that he already had Michael Pines, also known as Stefan Janeczak, until the Army arrested him for possession of an illegal firearm. Pines, a Polish Jew, had served in the Polish army and the Soviet NKVD during the war. At the time of his desertion in December 1945, he was the head of the Polish Security Police in Danzig. He barely escaped and settled in Munich where he worked as a doctor in a Jewish displaced persons camp. After his arrest, Koenig managed to have Pines "sprung" from American confinement and interrogated him.[37] (S)

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[36]Cable, Salzburg to London, 22 April 1946, Salzburg 672, IN 36090, (S); Note by Thomas F. Victor, 25 April 1946; Cable, Vienna to London, 6 May 1946, Vienna 019, IN 36685, (S); Cable, Washington to Salzburg and Vienna, 13 May 1946, Washington 291, OUT 0291, (S); and Cable, Salzburg to Washington, 18 May 1946, Salzburg 011, IN 37148, (S), all in DO Records, [redacted] Box 4, Folder 10, CIA ARC. (S)

[37]See SCI/A, Vienna, "Original Project Report: SYMPHONY Project," [April 1946], LVX-216, (S), and "Interrogation Report of Michael Pines, @ Stefan Janeczek, Former NKVD Captain and Former Major in the Polish Security Troops (Lublin)," 9 May 1946, LVX-231, (S), both in DO Records, [redacted], Box 4, Folder 10, CIA ARC. A copy of this same report is found in Michael Pines, [redacted], DO Records. Koenig also learned about another NKVD officer who deserted in Vienna, see SCI/A, Vienna, "Project SYMPHONY: 'ZALLEL,' Sgt.,

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Contacts With the Jewish Agency (U)

By early May 1946, Capt. Koenig had already provided a good deal of information about the *Brichah* at a time when the American military governments in both Austria and Germany were just beginning to realize the dynamics of the Jewish underground and the sensitive nature by which the United States had to handle these refugees.[38] Koenig's contacts with the Jewish Agency expanded when he met with Gideon Ruffer, the roving representative of the Agency's Political Department in Europe who also observed the Nuremberg trials. Ruffer, who later turned out to be Gideon Rafael, sought to establish formal ties between the Jewish Agency and American intelligence, but Capt. Koenig stated that he could only discuss local issues.[39] He would, however, pass on information from the Jewish Agency to his superiors. Ruffer, in turn, presented his version of the history of the Jewish Agency's relations with the OSS and British intelligence during the war.[40] (S)

NKVD," 14 May 1946, LSX-262, (S), in DO Records, ⊏ ⊐, Box 4, Folder 10, CIA ARC. (S)

[38]To enable Washington to understand the terminology used by the underground Jewish movement, Koenig sent Washington a list of the various organizations and special designations. See SCI/A, Vienna, "Project SYMPHONY: Hebrew Nomenclature," 13 May 1946, LSX-247, (S), in DO Records, ⊏ ⊐ Box 4, Folder 10, CIA ARC. (S)

[39]Born in Berlin 1913, Gideon Rafael escaped to Palestine in 1934 where he worked with the Haganah in the unsuccessful negotiations with the Nazis to rescue thousands of Jews. He later worked with the Jewish Agency in Europe to recover lost Jewish property and then served at the United Nations as the JA's representative during the partition talks in 1947. Rafael held senior positions in the Israeli Foreign Ministry, including four years as its Director-General and five years as Israeli ambassador to the United Kingdom. He died in 1999. See Reich and Goldberg, *Political Dictionary of Israel*, p. 320, and Gideon Rafael, *Destination Peace: Three Decades of Israeli Foreign Policy, A Personal Memoir* (New York: Stein and Day, 1981). See also Gideon Rafael, ⊏ ⊐, DO Records. (S)

[40]In 1948, Rafael wrote an account of cooperation between the Jewish Agency and the American services. Unfortunately, a copy of this account was not placed ⊏ ⊐ A chronology of

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Ruffer offered to allow Americans to use Jewish couriers in Eastern Europe on the condition that any intelligence obtained would be credited to the Political Department of the Jewish Agency. (Ruffer had mentioned that both the British and the Americans had exploited the Jews during the war for information, but did not credit them). When Ruffer asked Koenig what sort of intelligence he wanted, the American replied that he actually sought counterintelligence information. Specifically, Koenig told the Jewish representative that he wanted to know if foreign powers were targeting the United States either through military or political means or by subverting the Jewish immigration channels. Koenig also mentioned that he was interested in "any intelligence about war criminals which would be uncovered by the Jewish Agency representatives and would benefit either the War Crimes Board or the State Department."[41] (S)

Caution Signs (U)

While Koenig maintained a hands-off approach as far as Pier's activities in Austria were concerned, his affiliation as an American intelligence officer actually aided the Vienna International Committee for Jewish Displaced Persons and Ex-Concentration

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contact between the Jewish Agency, primarily Theodor Kollek and Reuben Zaslani (later known as Reuven Shiloah), and the OSS is located in Theodor Kollek, [redacted], DO Records. A 1945 plan, formulated by Zaslani and Kollek, called for the Jewish Agency to work with OSS to ferret "out everything possible on Nazi personnel and activities with special reference to war criminals." (S)

[41] SAINT, Austria to SAINT, "Project SYMPHONY: Direct Overt Contact with Political Department, Jewish Agency," 10 May 1946, LSX-251, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. Ruffer was also involved in complicated negotiations with the Hungarians to permit the emigration of Jews from that country as well as the recovery of stolen Jewish assets. See SCI/A, Vienna, "Project SYMPHONY: Trip to Budapest by Mr. Ruffer, Roving Representative of Political Dept., Jewish Agency," 27 May 1946, LSX-279, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

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Camp Inmates, the official name for Pier's group.[42] On 27 May, two men in civilian clothes reported to the Rothschild Hospital in Vienna where they claimed to be captains in the Hungarian Political Police. They showed Pier their identity cards and weapons permits and said that they were assigned to arrest German and Hungarian war criminals, They were in the country illegally because Hungary did not have a war crimes mission in Austria. In turn, they sought help from Pier's *Brichah* to locate the war criminals and to bring them back to Hungary. Pier provided them with false DP identification cards and he then notified Capt. Koenig. After further talks, Pier concluded that the two Hungarians were relatively low-level police officials who undertook this mission on their own volition. They did not appear to be dispatched from the Political Police headquarters in Budapest. Pier assigned one of his men, dressed in a British army uniform, to escort the Hungarians and to help them arrest the suspects. Simon Wiesenthal later joined the expedition, and he introduced the Hungarians to the head of the war criminal section of the Austrian State Police. The Austrians, without consulting the Western Allies, also provided several officers to help the Hungarians. As it turned out, the wanted war criminals had already evaded the Jewish-Hungarian-Austrian teams; thus, Pier escorted the two Hungarian officers back to the border.[43] (S)

Capt. Koenig, in the meantime, complained about the US Government's lack of support for the Jewish refugees. After a discussion with the SSU's section responsible

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[42]For example, Pier sought to use the Americans to "wipe out these rackets which soil the name of the regular Emigration Movement." In particular, Pier used the American military to arrest members of the rightwing Jewish Betar group which furnished members to the violently anti-British organization in Palestine, the *Irgun Zvai Leumi*. See SCI/A, Vienna, "Project SYMPHONY: Arrest of Mandel Laszlo," 13 June 1946, LSX-314, (S), and SCI/A, Vienna, "Mandel Laszlo," 20 June 1946, LSX-344, (S), both in DO Records [redacted], Box 4, Folder 10, CIA ARC. (S)

[43]SCI/A, Vienna, "Project SYMPHONY: Illegal Activities of Hungarian Police in Austria," 10 June 1946, LSX-315, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

for intelligence on Hungary, Koenig described the problems that the JDC faced in helping Jews in that country. Because the Russians refused to allow American citizens to staff the Joint or any of the other relief organizations in Hungary for fear that these individuals were American intelligence officers, the Jewish organizations in that country had no oversight from their main offices. Instead of supporting all Jews, the Joint in Budapest dissolved into a racket where only the favored few obtained supplies. Money, food, and supplies were squandered, giving the organization a poor name. Compounding these problems, Koenig told Headquarters that the American element of the Allied Control Commission in Hungary "has taken a completely biased attitude toward Jewish emigration. They are influenced by the completely wrong connections they have made among Hungarian circles and now are cooperating actively with the Russians in their program to stop any emigration toward the US Zone of Austria."[44] (S)

Headquarters Has Doubts (U)

By mid-1946, Headquarters questioned aspects of Vienna's reporting on the Jewish underground. In one example, Pier had told Capt. Koenig that a US Army officer assigned to the Allied Control Commission in Hungary was "on more than friendly terms with NKVD officers in Budapest." When the report arrived in Washington, SSU wanted to know the identity of the officer and the validity of the information. "This is an example, again, of odds and ends of information which come to us with no indication as to what development will be made, or what information or corrective action may result

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[44]SCI/A, Vienna, "Project SYMPHONY: Joint and ACC, Budapest," 20 June 1946, LSX-345, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. See also SCI/A, Vienna, "Two Official Cables Exchanged between the DP Section USFA and USFET," 1 May 1946, LVX-232, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

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from the information. If any service to US organizations can be rendered through information which we obtain," Headquarters chided, "it is important that this be done."[45] (S)

Koenig's close ties to the *Brichah* in Austria also concerned Washington lest it affect relations with the British after they launched a major operation in Palestine, including a raid on the Jewish Agency's headquarters, in June 1946. This led Washington to advise X-2 in Austria, "things of this nature may explain to you why we have felt that caution should be exercised in our activities in a certain project."[46] It also became more apparent to Washington officials that Koenig actually worked with a clandestine organization that operated against official US military government policies designed to staunch the flow of refugees from Eastern Europe into the American zones of Germany and Austria. (S)

Coupled with growing anxiety that American intelligence be caught supporting a subversive element, SSU had nagging doubts about Arthur Pier, the chief agent in Project SYMPHONY. Responding to Vienna's trace request, the SSU station in Cairo replied that it could find no information on the man. In fact, Cairo confirmed that Pier never

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[45]SAINT to SAINT, Austria, "Project SYMPHONY," 27 June 1946, X-4960, (S), and SCI/A, Vienna, "Project SYMPHONY: Capt. (USA) Levitan, ACC Hungary," 10 May 1946, LSX-245, (S), both in DO Records, [redacted], Box 4, Folder 10, CIA ARC. In response to Washington's concerns, Security Control (the successor to X-2) in Austria stated that it had contacted both the G-2 of the US Forces in Austria as well as the American military mission in Budapest informing both organizations of the allegations against the US Army officer. See Security Control Division, Austria to Richard Helms, Acting Chief, FBM, "Project SYMPHONY," 13 August 1946, LSX-393, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

[46]SAINT to SAINT, Austria, "Newspaper Clippings," 1 July 1946, (S), in DO Records, [redacted] Box 4, Folder 10, CIA ARC. (S)

worked for the British Security Intelligence Middle East (SIME) and that his press card was false. As a result, Cairo Station advised Vienna to proceed with caution.[47] (S)

Closing the Project (U)

On 12 July 1946, Richard Helms, who had just been named as the acting chief of Foreign Branch M, sent a cable to Vienna. Helms said that while Washington had no objections to continuing the project, Headquarters needed more information about SYMPHONY's value and its overall potential as a project.[48] By this time, the project's case officer, Capt. Jules Koenig, had already returned to the United States for demobilization, leaving the project without any American control. Over a month later, in late August, John G. Heyn, the acting head of the Security Control in Austria, provided this update:

> The project continues to lie idle for lack of a case officer. In the meantime, additional thousands of emigrants are pouring out of Poland into Austria. The original plan for operating the project, by planting six Yiddish speaking interrogators in the Rothschild Institute in Vienna, is as impossible to carry out today as it was in the beginning. Reason: There are no American Yiddish speaking interrogators to be had. CONDUCTOR is as anxious as ever to cooperate in removing non-bona fide Jewish elements from the stream of immigration. The control feature of the project remains as it was; fear to in any way offend US authorities lest the entire emigration be closed down. CONDUCTOR has made every effort in the past to fulfill our requirements. However, direction is needed and having received no replacement for Konig, [sic] Vienna is over-taxed. The Chief of Mission has expressed an interest in the positive information available through CONDUCTOR. We shall try to maintain

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[47]Cable, Cairo to Washington, 27 June 1946, Cairo 321, IN 38715, (S), in response to SAINT, Vienna to SAINT, Cairo, "Arthur Pier," 22 April 1946, (S), both in DO Records, [redacted], Box 4, Folder 11, CIA ARC. (S)

[48]Cable, Washington to Vienna, 12 July 1946, Washington 1669, [no OUT number listed], (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. (S)

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the contact in order to keep the avenue open to the wealth of fresh CE and positive information that these emigrants are bringing out with them.[49] (S)

By the time that it received this monthly report from Austria, Headquarters had lost interest in Project SYMPHONY. On 19 September, Helms and Evelyn M. Williams, the Austrian Desk Officer, sent a lengthy review of the project to Austria for the mission's comments. "It is our feeling," they wrote, "that this case should be neither continued nor reinstated under circumstances attendant in the past. **If** [original emphasis] the case is developed at all, it should be on the basis of the most secure covert penetration of the agency concerned (by covert penetration we mean without the knowledge of any of its officials or personnel) instead of the open collaboration of the past."[50] (S)

The 16-page review was scathing in its criticism of the project. Headquarters felt that the two main agents had significant black marks in their past, especially Wender who had made a fortune as a courier between Turkey and Eastern Europe during the war. After questioning Capt. Koenig upon his return to Washington before his release from the Army, Headquarters learned that Koenig's description of Pier had proven misleading. It turned out that Koenig and Pier had met each other during the war and not, as Koenig had

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[49]SAINT, Austria to SAINT, "Station Activities, Month of August 1946," 31 August 1946, LSX-A-21, (S), in DO Records, [redacted], Box 368, Folder 3, CIA ARC. At the time of the report, Security Control in Vienna had only one officer assigned while the main base in Salzburg counted only seven personnel, including secretaries and a guard. Born in 1906, John G. Heyn studied to be a conductor of opera and symphony in Germany in the late 1920s and worked in Germany until 1935. He entered the Army as a private in 1942 and was commissioned a second lieutenant in October 1945. Heyn served with the Counter Intelligence Corps in Egypt, Palestine, Italy, and then Austria. Upon his release from the military in January 1946, Heyn joined SSU as X-2's chief in Vienna and remained in Austria until December of that year. [redacted]

[50]Acting Chief, FBM and DH-136 [believed to be Evelyn M. Williams] to Commanding Officer, War Department SSU Mission to Austria, "SYMPHONY Project," 19 September 1946, (S), enclosing Project Review, in DO Records, [redacted], Box 4, Folder 10, CIA ARC. This same document is found in DO Records, [redacted], Box 1, Folder 11, CIA ARC. (S)

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suggested, in Vienna. Likewise, Headquarters also learned to its dismay that Capt. Koenig had himself been affiliated with the Jewish Agency prior to his joining the Army.[51] (S)

For his part, Pier operated in a conspiratorial manner while the *Brichah* "has been more and more associated with, if not actually sponsoring, certain terroristic groups in a desperate effort to attain its aims." Pier's own methods, as seen by Washington, were "strong-arm and unethical." Those who opposed him were simply "taken care of" or "liquidated." Koenig's own sympathies for the plight of the Jewish refugees and his growing reliance on Pier for intelligence appeared to give sanction to the illegalities being committed by the Jewish underground in Austria.[52] (S)

Pier also had not lived up to his offer to arrange the desertion of Michael Pines, the NKVD major mentioned in Koenig's project proposal in April. Instead, the Polish Jew was arrested by Army authorities during the roundup of illegal immigrants in Vienna and held on weapons charges. The information that he subsequently provided did not justify Koenig's obtaining Pines's release from jail and his removal to Munich.[53] (S)

Two other incidents raised questions about the security of the project. In mid-May, Capt. Koenig met a man who claimed to be a Russian scientist employed by the Soviet military in Austria. This man, known as Donsky, wanted to leave Austria as quickly as possible with his wife to travel to Palestine. While Donsky stated that he would not reveal all of his information about his work for fear of being branded a traitor, he offered to supply general details about life in the Soviet Union. Koenig agreed to this proposal and began to make arrangements to have Donsky transported by an Army plane

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[51]Ibid. (S)
[52]Ibid. (S)
[53]Ibid. (S)

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to Italy. When Headquarters learned about Koenig's steps on behalf of the Russian, it ordered its Vienna representative to drop all contact with him. SSU feared that Donsky's supposed defection was a ruse orchestrated by the Soviets to catch the United States in an unfriendly act toward its ally. Likewise, Koenig's withholding of Pier's alleged source in the British headquarters in Austria became a matter of contention between SSU officials in London, Vienna, and Washington.[54] (S)

Altogether, Helms and Williams felt that the intelligence procured by Project SYMPHONY had been low grade and could be procured through the open press. The *Brichah* had been the main beneficiary of the exchange, and it appeared that Koenig had fallen under Pier's sway. The balance sheet of what Pier had gained by his affiliation with X-2 in Vienna far outweighed any benefits to the United States. Even more troubling, Koenig's work had, no doubt, come to the attention of the British in both Austria and Palestine. The diplomatic ramifications if the British exposed the American operation would be simply too great. The review advised the abandonment of Project SYMPHONY as it had been first conceptualized and evolved over time. While Headquarters did not rule out a new covert project to penetrate the Jewish immigration, it did not seem feasible given the circumstances.[55] (S)

The Aftermath (U)

The Vienna base, reprimanded as a result of the Washington review, acknowledged in early October that Project SYMPHONY and the use of Pier had come

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[54]Ibid. The cables and reports pertaining to the Donsky case were removed from the Project SYMPHONY file and replaced with extracts. A summary of the case is found in the project's review. (S)

[55]Ibid. (S)

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to an end. Despite promises made to Army officials to continue to exploit the Jewish *Brichah*, a lack of case officers effectively closed that approach.[56] While SSU was able to provide some information to the military, the G-2, or intelligence staff, of the United States Forces in Austria, supported by the 430th Counter Intelligence Corps Detachment, hereafter furnished the bulk of the reporting on the Jewish underground following Project SYMPHONY's demise.[57] The Central Intelligence Group, which assumed SSU's foreign operations in the fall of 1946, dropped contact with Erich Wender after a final report in October 1946.[58] (S)

Arthur Pier, however, did not drop out of sight. In late January 1947, Pier met with a CIG officer in Vienna and complained that the United States had "cooled off toward him." Pier, in turn, was told that he had not been forthright in providing

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[56][Unknown] to Acting Chief, FBM and DH-136 [Williams], "SYMPHONY Project," 3 October 1946, X-8326, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. A copy of this same document is found in DO Records, [redacted] Box 1, Folder 12, CIA ARC. (S)

[57]See Acting Chief, FBM to Commanding Officer, SSU War Department Mission to Austria, "Report on Jewish Escape Routes Furnished G-2 USFA," 9 October 1946, (S), enclosing SAINT, Austria to SAINT, "Transmittal of Attached Report Furnished G-2 USFA, Subject: 'Jewish Escape Routes,'" 26 August 1946, LSX-399, (S), enclosing Rufus S. Crane, SCI/A, Vienna to Assistant Chief of Staff, G-2, USFA, "Jewish Escape Routes," 16 August 1946, Vienna Memo No. 497, (S), in DO Records, [redacted], Box 4, Folder 10, CIA ARC. This report was pretty much adopted from Koenig's Project SYMPHONY proposal. For an example of CIC reporting, see Summary of Information, James D. Lewis, Special Agent, Section Kirchdorf, 430th CIC Detachment, "Fischer, Lutz, Alias Vasile, Ladislaus, Illegal Jewish Evacuee from Romania and Hungary, Illegal Border Crosser from Styria to Upper Austria," 26 August 1946, K/1698, (S), in DO Records, [redacted] Box 4, Folder 10, CIA ARC. See also Headquarters, USFA, Assistant Chief of Staff, G-2, Intelligence Summary No. 108, 27 June 1947, FAV-M 27, Appendix A, "The Jewish Underground in Austria," (S); and Chief of Station, Vienna to Chief, FBM, "Transmittal of Intelligence Material," 15 September 1947, MAV-A-258, (S), enclosing Headquarters, USFA, Assistant Chief of Staff, G-2, "The Jewish Question as Reported from Vienna," 21 August 1947, in DO Records, [redacted], Boxes 255 and 284, [no folders listed], (respectively), CIA ARC. (S)

[58]For final reports from both Wender and Pier, see SCI/A, Vienna, "Project SYMPHONY: Austrian State Police Personalities," 18 October 1946, LSX-449, (S), and SC, Vienna, "Project SYMPHONY: Cadet Benjamin Schur, @ Johann Hass," 20 November 1946, LSX-468, (S), both in DO Records, [redacted], Box, Folder 10, CIA ARC. (S)

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information to the United States and that there was no way that the large numbers of Jews coming from Eastern Europe could not escape without some type of cooperation on the part of the Soviets. The American representative informed Pier that the US Army's Counter Intelligence Corps was now responsible for collection of information from refugees. In order for Pier to continue to work for the Americans, he had to agree not to impose any demands on the Army. Pier again stated that he wanted to cooperate with the Americans, but "was not in a position to engage in straight intelligence." After this point, Pier was turned over to Harris Greene, the deputy chief of the CIC office in Salzburg [redacted].[59] Pier's performance as a source for the Army also proved disappointing.[60] (S)

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[59][Identity unknown] to [redacted]., "Office Log, Salzburg," 31 January 1947, [no classification listed], in DO Records, [redacted], Box 4, Folder 10, CIA ARC. For trace results on Pier of uncertain origins, see Intelligence Report, [redacted] "Arthur Pier @ Ben-Zwi," 12 March 1947, KEL-2228, (S), and [redacted] to [redacted], FBK, "Arthur Pier (Austrian National)," 8 May 1947, both in DO Records, [redacted], Box 4, Folder 10, CIA ARC. The fact that an American intelligence officer actually told Pier why he had been dismissed created additional consternation in Washington. See [redacted] to Commanding Officer, Austria, "Arthur Pier," 8 May 1947, (S), in DO Records, [redacted] Box 4, Folder 10, CIA ARC. Annotations on this document indicate that this document was not sent to the field. Harris C. Greene [redacted] in Austria for several years with CIC. Born in 1921, Greene graduated from Boston University in 1943 and entered the US Army that same year. He served in Italy with a signals intelligence unit and transferred to CIC in the summer of 1945. Following his discharge from the Army in 1946, he remained as a civilian employee in charge of special operations in Land Salzburg. [redacted]

[redacted]

[60][Identity unknown] to Chief of Mission and Chief, SC, "Arthur Pier, Former Chief SYMPHONY Agent," 6 March 1947, MAS-003-306, (S); and Extract, [redacted] Log, 13 March 1947 entry, 17 March 1947, MAS-023-317, (S), both in DO Records, [redacted] Box 4, Folder 10, CIA ARC. Pier had reported only one time to the CIC in February 1947 and failed to tell his handlers that he had picked up a Soviet lieutenant colonel and his wife who had defected through Jewish channels. (S)

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The Deeper Significance of SYMPHONY (U)

Pier's departure from Austria to Palestine in the summer of 1947 ended the short-lived relationship between American intelligence and the *Brichah*.[61] Arthur Pier, however, remained active in intelligence circles long after the formation of the State of Israeli in 1948. He took the name of Asher Ben-Nathan (also known as Ben-Natan) and served as chief of the Operations branch of the Political Department of the Foreign Ministry (*HaMahlaka HaMedinet*), the intelligence wing of the Israeli Foreign Service, under Boris Guriel. Ben-Nathan operated at first in Israel and then moved his operations to Paris. Competition among the intelligence services (including the Political Division, the *Shin Bet* or the General Security Service, and Israeli military intelligence), however, pitted Guriel and Ben-Nathan against Reuven Shiloah, who had been named by Prime Minister David Ben-Gurion as the Adviser on Special Duties to the Foreign Minister and the chairman of the Coordinating Committee of the Intelligence Services. After months of haggling, Shiloah persuaded Ben-Gurion to place all intelligence under his control as the head of *HaMossad LeTeum*, better known as the Mossad or the Institute for Coordination. The Mossad assumed the collection of foreign intelligence and disbanded the Foreign Ministry's Political Department. Shiloah, in effect, fired the Political Department's head, Guriel, leading to the "spies's revolt" in March 1951 where Ben-

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[61] Army intelligence reported that Pier paid a visit to Salzburg immediately prior to his return to Palestine. As the Army noted, Pier had reportedly grown rich through his work in Austria according to those who opposed him. See Extract, Headquarters, USFA, Assistant Chief of Staff, G-2, USFA Intelligence Summary No. 110, 11 July 1947, (S), in DO Records, Box 4, Folder 10, CIA ARC. (S)

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Nathan and other members of the Political Department resigned en masse and destroyed their records as opposed to turning them over to the new Mossad.[62] (U)

Ben-Nathan's self-imposed exile from intelligence did not last long. In 1953, Ben-Gurion appointed Ben-Nathan as the general manager of the Israeli-owned Red Sea Incoda, a meat and shipping company, in the French colony of Djibouti on the Horn of Africa. The company ostensibly purchased beef and lamb in Ethopia for ritual slaughter and export to Israel. In reality, Ben-Nathan's mission was to monitor shipping movements into the Red Sea and to ensure that Israel's maritime lifeline remained unobstructed by the Arabs. In September 1956, Ben-Nathan received an urgent message to leave for Paris where he served as an Israeli representative with the French and British Governments as the three countries plotted to seize the newly nationalized Suez Canal Company from Nasser's Egyptian regime. Ben-Nathan's main role, as opposed to planning the military campaign, was to arrange for the transfer of French nuclear technology to Israel, thus allowing it to become the first nuclear power in the Middle East. Ben-Nathan went on to hold positions of power in the Israeli Government, including head of the Israeli Defense Ministry's purchasing mission to West Germany in 1957, the Director General of the Ministry of Defense from 1959 until 1965, Israel's first ambassador to West Germany from 1965 to 1969, Israel's ambassador to France from 1970 to 1975, political adviser to the Defense Minister from 1975 to 1977, and counselor

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[62] For more details on Asher Ben-Nathan, see Itzhak Ben, ed., *Who's Who in Israel and Jewish Personalities All Over the World* (Tel Aviv: Who's Who in Israel Publishers, 1999); Ian Black and Benny Morris, *Israel's Secret Wars: The Untold History of Israeli Intelligence* (London: Hamish Hamilton, 1991); Haggai Eshed, *Reuven Shiloah: The Man Behind the Mossad Secret Diplomacy in the Creation of Israel*, trans. by David and Leah Zinder (London: Frank Cass, 1997), Samuel M. Katz, *Soldier Spies: Israeli Military Intelligence* (Novato: Presidio Press, 1992); and Dan Raviv and Yossi Melman, *Every Prince a Spy: The Complete History of Israel's Intelligence Community* (Boston: Houghton Mifflin Company, 1990). Both classified and unclassified reporting is found in Asher Ben-Nathan, [redacted], DO Records. (S)

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to the Prime Minister from 1984 to 1986. An author and the recipient of many awards, Ben-Nathan was an unsuccessful candidate for mayor of Jerusalem. In 1999, Ben-Nathan resided in Tel-Aviv and was the chairman of the Ben-Gurion Foundation and president of the Israel-German Association.[63] (U)

Project SYMPHONY had a dampening effect on the establishment of liaison relations between the United States and Israel.[64] Not until 1951 did the CIA agree to cooperate with the new Mossad.[65] In part, the Americans remained concerned that the Soviets had penetrated the infrastructure of the Israeli intelligence and security services.[66] Consequently, exchanges between the two services remained mostly of a counterintelligence nature explaining, in part, why James J. Angleton, the chief of CIA's Counterintelligence Staff, retained control of the Israeli liaison account until 1973. Angleton, along with Koenig, had been among the first American intelligence officers to report on the smuggling of Jewish immigrants through Italy to Palestine in 1946. (S)

Lost in the haze surrounding the birth of Israel, Project SYMPHONY provides a glimpse of how American intelligence tried to get its bearings at the beginning of the

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[63]Ibid. (S)

[64]An overview of the project and the roles played by Koenig, Ruffer, and Pier is found in DO Records, [redacted], Box 4, Folder 10, CIA ARC. This May 1950 document indicates that Pier had to close the project down immediately after Koenig's departure from Austria in the summer of 1946 because the British had suddenly obtained copies of all of the reports that Pier had given to Koenig. Koenig and Ruffer continued to see each other occasionally in New York and, as late as 1956, Koenig indicated to Edward P. Barry, his former commander in Austria [redacted] that he wanted to reenter the intelligence business. See "Phil" to "Tony," 17 October 1956, enclosing a resume of Jules Koenig, in DO Records, [redacted], Box 2, Folder 2, CIA ARC. (S)

[65] [redacted] unpublished manuscript, 2000) (TS Codeword). [redacted]

[66]According to one book, "since its birth in 1948, little Israel was a big target for Soviet intelligence and a massive sieve when it came to leaks." Over the years, Israel suffered several high profile spy cases dating to recruitments by the Soviets before the establishment of the country. See Raviv and Melman, *Every Prince a Spy*, pp. 30-31, 49-50, and 98-100. (U)

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Cold War. By utilizing the *Brichah* in Austria, the Strategic Services Unit sought to uncover Soviet efforts to penetrate the flow of Jewish refugees to Palestine. Yet, the project ended far different by than anticipated and, while it lasted only a few months, Project SYMPHONY marks a first, but unrecognized, step in the development of one of CIA's oldest and most important liaison relationships in a troubled region of the world. (S)

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CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
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Chapter Twelve

Essential to the Furtherance of the National Intelligence Mission (U)

Although Congress established the Central Intelligence Agency under the National Security Act of 1947, it left unanswered a number of questions about its status as a Federal body. In an effort to regulate the Agency and to provide administrative guidance, the Congress passed the Central Intelligence Agency Act of 1949 during the summer of that year. Dealing with a variety of issues, such as the seal of office and the DCI's responsibility to protect sources and methods, the act (ratified as Public Law 110) also covered immigration to the United States.[1] Section 8 of the CIA Act of 1949 (later amended as Section 7) granted the Director of Central Intelligence considerable leeway to facilitate the movement of foreigners to the United States. The law specifically stated:

> Whenever the Director, the Attorney General, and the Commissioner of Immigration shall determine that the entry of a particular alien into the United States for permanent residence is in the interest of national security or essential to the furtherance of the national intelligence mission, such alien and his immediate family shall be given entry into the United States for permanent residence without regard to their inadmissibility under the immigration or any other laws and regulations, or to the failure to comply with such laws and regulations pertaining to admissibility: Provided, That the number of aliens and members of their immediate families entering the United States under the

[1]For a general discussion of the Congressional action in the establishment of CIA, see [redacted] *The Central Intelligence Agency: The First Thirty Years 1947-77*, pp. 29-30. (S)

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authority of this section shall in no case exceed one hundred persons in any one fiscal year.[2] (U)

The CIA Act of 1949 became law several years after American intelligence first realized that it faced mounting problems in terms of handling agents who outlived their usefulness as operatives. Indeed, within weeks of the cessation of fighting in 1945, the Office of Strategic Services faced the task of settling accounts with countless European agents, including Allen Dulles's "Crown Jewels." In addition to questions of "agent disposal," American intelligence faced a quandary in deciding what to do with men and women who abandoned communism and sought refuge in the West.[3] (S)

The Hungarian Connection (U)

OSS, however, lacked the legal means to resettle these individuals or to reward them in other ways for their faithful service to the United States. Zsolt Aradi was among the first agents that OSS, and later the Strategic Services Unit, attempted to compensate by allowing the Hungarian and his family to immigrate to the United States.[4] Aradi had worked as an agent for SI in Italy during the war and continued to serve with the

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[2]John S. Warner, Acting General Counsel, Memorandum to Chief, FI, "Laws Relating to the Central Intelligence Agency," 6 March 1953, DO Records, [redacted] Box 2, Folder 3, CIA ARC (R), enclosing "Text and Explanation of the Central Intelligence Act of 1949 as Amended, Provisions Pertaining to the Establishment of the Central Intelligence Agency from the National Security Act of 1947 as Amended, and a Compilation of Extracts from Other Statutes Referring Specifically to the Central Intelligence Agency or the Director of Central Intelligence." (S)

[3]Two early examples of the dilemma that American intelligence faced in Europe are seen in D. DeBardeleben to Frank G. Wisner, "Proposed Protection of and Assistance to OSS Contacts and Agents," 5 July 1945, L-003-705, (S), and Crosby Lewis to DCI, "Return to the United States of Mr. George Wood, SSU Undercover Agent in Germany," 22 May 1946, MGH-003-522, (S), both in DO Records, [redacted] Box 2, Folder 21, CIA ARC. (S)

[4]First Lieutenant Hart Perry, Chief, SI to Lieutenant Colonel Howard M. Chapin, "Biographies of Aliens Desiring Visas for the United States," 17 August 1945, in Aradi, [redacted], DO Records. (S)

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Americans in Austria and Germany following VE-Day. Aradi's real ambition centered on leaving Europe for America, and he collected testimonials from those who worked with him. [redacted] in Washington, for example, observed that "there is no question in my mind concerning the integrity and loyalty of Mr. Aradi to our organization. He is a highly intelligent and effective worker, and he merits every consideration."[5] (S)

Despite efforts by several key American intelligence officers on Aradi's behalf, the Hungarian encountered numerous obstacles that kept him in Europe.[6] Almost throwing up his hands in despair in late 1946, Richard Helms, Foreign Branch M's chief, told [redacted], the chief of the Austrian mission, that "in all candor, the subject of immigration to the United States is one of the most confusing problems that any of us have ever had to deal with."[7] While both Helms and [redacted] among others, wanted to assist Aradi's immigration, there were limits to what these officials could do. The State Department, which regulated the issuance of visas in overseas consulates, had no legal recourse to enable Aradi to travel to the United States. The Immigration Act of 1924 established a quota system for each nation with preference going to immigrants who were family members of US citizens or resident aliens. All other persons desiring to immigrate (and this included Aradi) fell into the "nonpreference" category. Due to restrictive US

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[5] [redacted] to [redacted], "Zsolt Aradi," 1 November 1946, (S), in DO Records, [redacted], Box 4, (no folder listed), CIA ARC. See also Chapin to Aradi, 22 September 1945; and Aradi to Chapin, 13 October 1945, both in Aradi, [redacted] DO Records. (S)

[6] US officials appealed to the State Department for assistance. See Alfred C. Ulmer, Jr., to American Consul General, Naples, 16 July 1946; Edward J. Green to Richard Helms, 26 July 1946, (S); and [redacted] to Helms, "Aradi, Zsolt," 1 November 1946, (S), in Aradi, [redacted]. DO Records. (S)

[7] Helms to [redacted], "Your Memorandum of 1 November [1946] on Zsolt Aradi," 25 November 1946, (S), in Aradi, [redacted] DO Records. (S)

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immigration policies and overtaxed quotas, Aradi faced the prospect of a long wait for a visa.[8] (S)

In an effort to alleviate the burden that the 1924 act placed on US Government agencies in sponsoring the immigration of foreigners, the Secretary of State and the US Attorney General approved a change in the policy of admitting nonpreference immigrants in late 1946.[9] With the consensus of the Joint Chiefs of Staff of "persons whose admission is highly desirable in the national interest," the State Department permitted these immigrants to have a higher priority over other nonpreference immigrants. The regulatory change, however, did not give these aliens a higher standing than those immigrants who enjoyed a preferred status because of family ties to the United States. While a slight improvement, visas for nonpreference immigrants from Europe still remained vastly oversubscribed.[10] Special immigrants, including Zsolt Aradi and Gustav Hilger, were forced to remain in Austria and Germany while waiting for the State Department to reach their quota slots.[11] In fact, Aradi and his family did not depart Germany for the United States until the spring of 1948. (S)

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[8] ⊏ ⊐ to Helms, "Aradi, Zsolt," 1 November 1946, (S), in Aradi, ⊏ ⊐, DO Records. (S) As of this date, the Austrian Mission reported that Aradi ranked 202 on the Hungarian immigrant quota. His wife and children numbered in the upper 200s on the German quota. (S)

[9] Attachment A to Aradi to ⊏ ⊐ 25 February 1947, and Memorandum for the Special Assistant to the Secretary of State, "Visa Priority Applications," 7 April 1947, (S), in Aradi, ⊏ ⊐ DO Records. (S)

[10] Ibid. (S)

[11] Carmel Offie initially wanted to use the special JCS clause to bring Hilger and his wife to the United States. While OPC brought Hilger and his family to America on visitors' visas and US military government travel passes, George Kennan wanted the US Consulate in Montreal to have Hilger admitted under the German quota. The State Department and the Immigration and Naturalization Service disagreed and stated that Hilger and his wife, both Russian-born, had to enter as nonpreference immigrants under the Soviet quota of the Immigration Act of 1924. "In view of the heavily oversubscribed condition of the Soviet quota, nonpreference applicants now registering will experience an indefinite waiting period." See George F. Kennan to Cecil F.

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Serious Embarrassment for the Organziation (U)

The problems that Aradi and other American agents experienced in their immigration forced Headquarters to take action. In September 1946, Colonel Knox P. Pruden issued a staff memorandum "in order to avoid unauthorized commitments in connection with aliens employed or otherwise used as agents overseas." Detailing the exact procedures followed by the Department of State in issuing visas and the role of the INS in admitting immigrants, Pruden warned that "no official of the United States Government can guarantee entry or naturalization to any individual alien, and any promise or commitment to obtain entry or citizenship is without warranty or effect." Possibly casting an eye on Aradi, SSU's adjutant commented, "experience has shown that such promises and commitments have been made in the past and have been accepted at face value by the aliens concerned. Subsequent requests for fulfillment of these obligations have resulted in serious embarrassment for the organization."[12] (C)

For the next two years, SSU and its successors, the Central Intelligence Group and the Central Intelligence Agency, experienced growing difficulties in handling former agents and defectors. In the fall of 1946, CIG established the Office of Operations (OO), drawing its resources from OSO's "B" Branch that, primarily sought to exploit American international business firms for foreign intelligence. The Office of Operations, lacking a definite mission in 1946, only gradually assumed the role of handling defectors. In fact,

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Cross, American Consulate General, Montreal, Canada, undated [c.1949]; and H.J. L'Heureux to Mr. Schwartz, 3 January 1950, both in Hilger, [redacted], DO Records. (U)

[12]Strategic Services Unit, Staff Memorandum No. 81, "Immigration and Naturalization of Aliens," 3 September 1946, (C), in CIA History Staff Records, HS/CSG 651, [redacted] Box 4, Folder 15, CIA ARC. (C)

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OO lacked an overall sense of purpose because the FBI opposed the CIG's use of foreign nationality groups within the United States. As a result of this disagreement, OO did not interrogate aliens within the continental United States until 1948.[13] (S)

CIA handled its first defector case in the United States within months after its formation in the fall of 1947. The following year, two Soviet pilots, [redacted] and [redacted] defected to American forces in Austria, and the State Department ordered that they be sent to the United States to provide information to the Voice of America. After a brief period of time in America, one of the Russians grew disenchanted with his new life and expressed his desire to return to the Soviet Union. The Immigration and Naturalization Service, learning of this development, arrested the Russian and deported him to his homeland. OO's Contact Branch consequently gained the unofficial task of supporting the remaining pilot and ensuring his well-being. The unfortunate experiences of these defectors in America highlighted the overall weakness of the US Government's ad hoc planning regarding defectors.[14] (S)

Spoiled agents and defectors in Europe presented even greater challenges than those faced by Headquarters with the [redacted] affair. USFET and USFA, the major Army commands in Germany and Austria respectively, had ambivalent policies regarding Soviet defectors. Depending on the rank and often individual whims of the receiving officials, the Army retained some defectors for interrogation while it returned others to Soviet hands.[15] The Clay-Sokolovsky agreement, an informal arrangement in

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[13] [redacted], Directorate of Intelligence History [redacted], "Draft History [redacted]

[14] [redacted], pp. 2-6. (S)

[15] Helms to ADSO, "Russian Deserters in Germany and Austria," 3 February 1948, (C), in DO Records, [redacted], Box 5, Folder 2, CIA ARC. For a discussion of early procedures

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1946 between US and Soviet military commanders in Germany, called for the United States to return all Soviet military defectors, deserters, and political exiles residing in the American zone of Germany. This agreement, in addition to the Yalta Agreement, allowed the Soviets to demand the return of both important figures, such as Stefan Bandera, as well as mere enlisted men. Both Army and civilian intelligence agencies in Germany intensely disliked this policy because it did not offer much encouragement for Iron Curtain defectors.[16] (C)

Just as CIA fell into the business of handling defectors in the United States during 1947-48, it also became involved with these people in Europe.[17] Not until mid-1947 did CIG publish a brief memorandum to assist its stations in dealing with defectors. This guidance, however, remained limited and noncommittal as it clearly stated that CIG

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regarding defectors, [redacted], Clandestine Service History Program [redacted]

[16]A copy of the Clay-Sokolovsky agreement is found in US Department of State, *Foreign Relations of the United States 1946*, vol. V (Washington, DC: Government Printing Office, 1969), pp. 730-731. Its impact on Soviet defection is discussed in [redacted] to [redacted] "Defectors: McNarney (Clay)-Sokolovsky Agreement," 5 March 1951, (C), and Lt. Col. Peter Calza, Headquarters, USFET, to Commanding Generals, "Implementation of US-Soviet Agreement on Arrest of Citizens," 23 December 1946, (C), both documents in DO Records, [redacted], Box 1, Folder 26, CIA ARC. Frank Wisner in 1948 advocated that US officials in Germany utilize "administrative action" to circumvent the agreement. See Robert A. Lovett, Acting Secretary of State to James Forrestal, Secretary of Defense, 1 October 1948, (S), and Wisner to Robert Blum, Office of the Secretary of Defense, "Proposed Modifications of Policy regarding Soviet Repatriation and Foreign Political Activities in Germany," 6 October 1948, PC-116, (S), both documents in DO Records, [redacted], Box 2, Folder 41, CIA ARC. (S)

[17]As late as November 1946, CIG became involved with discussions as to how to repatriate three members of the Vlasov Army who had been held as prisoners of war in the United States since 1945. The War Department was frustrated in its efforts to send the men back to the USSR, and it approached the intelligence to see if they could be utilized by CIG. See [redacted] to Col. Galloway, "Disposition of Soviet Prisoners held by War Department as Prisoners of War," 1 November 1946, (S); Col. George R. Grunert, Control, to Col. Galloway, "Three Soviet Citizens Held as PWs," 1 November 1946, (S); and Col. Galloway to Director of Intelligence, WDGS, "Soviet Citizens Now in Custody of War Department," 1 November 1946, (S), all in DO Records, [redacted], Box 4, [no folder listed], CIA ARC. (S)

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should not play a leading role to encourage defection.[18] In fact, as late as the fall of that year, OSO downplayed its role in handling defectors. In a cable to Berlin and Heidelberg, Headquarters specified its policy regarding "high-level political refugee cases." OSO wanted only persons with "yardstick" intelligence potential and sought to have complete control over these few cases. It did not desire to work with run-of-the-mill defectors or to "accept the job of disposal or long-time billeting." Washington remained adamant that there was "**no** [original emphasis] reason for us to jeopardize security completely by being obliged to involve ourselves with every political refugee who flees SOVZONE."[19] (S)

You Can Dump Him in the IRO (U)

Despite this rather firm statement, SSU, CIG, and CIA evacuated a total of 38 defectors and former agents from Germany between 1945 and early 1949.[20] As early as January 1947, Gordon M. Stewart, the new chief of mission in Germany, recognized that CIG could not depend on the Army to deal with defectors. He recommended that CIG establish its own interrogation center as opposed to using the Army's facilities at

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[18]See Chief, Operations, Memorandum #26, "General Policy on Soviet Defectors," 5 June 1947, (S). A copy of this memorandum has not been found but a card summarizing its main points is maintained in the CIA History Staff files. This memo is cited in a number of contemporary documents listed in the footnotes. (S)

[19]Cable, Washington to Berlin, Heidelberg, 15 September 1947, Washington 6502, OUT 51472, in DO Records, [redacted], Box 7, Folder 202, CIA ARC (S). Berlin's request for advise on dealing with defectors is found in Cable, Berlin to Washington, Heidelberg, 12 September 1947, Berlin 411, IN 23032, , (S), in the same job as above. (S)

[20]Chief of Station, Karlsruhe to Chief, FBM, "Defection and Disposal," 7 March 1949, MGK-A-6723, (S), in DO Records, [redacted], Box 1, Folder 34, CIA ARC. This document provides a complete list of all reports sent from Germany to Washington during 1948-49 dealing with defection and disposal. Unfortunately, a search of the Agency's records system has failed to locate any copies of these documents, and it appears that they were destroyed in 1989.

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Oberursel.[21] By this point, the quality of EUCOM's Interrogation Center had dropped significantly because of the lack of trained interrogators as well as from notable security lapses.[22] By March 1947, the CIG representative in Brussels announced that it could assist in the evacuation of a "hot body" from Europe through a well-placed agent and bribes.[23] (S)

The German mission organized a small project in 1948, known as HARVARD, to provide safe house and operational aid facilities for all CIA activities in Germany.[24] A

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[21] Stewart to Helms, "Proposal for Interrogation Center," 10 February 1947, MGH-002IB-210b, (S), in DO Records, [redacted], Box 49, Folder 1, CIA ARC.

[22] Security problems at Army's Camp King in Oberursel are discussed in [unsigned], "7707 European Command Intelligence Center," 24 September 1949, (S), in DO Records, [redacted] Box 1, Folder 6, CIA ARC. See also Lyman B. Kirkpatrick, Acting ADSO to DCI, "Establishment of a Defector Exploitation Center in Germany," 21 November 1950, (S), with attachment, "Organization and Operation of the European Command Intelligence Center," (S), in CIA History Staff Records, HS/CSG-1300, [redacted], Box 9, CIA ARC. The Center also served as the home for the Army's RUSTY operations until it moved to Pullach in 1947. The poor conditions at Oberursel, the rundown of the US Army in Europe, and bureaucratic obstacles persuaded ECIC's chief interrogator, Arnold M. Silver, to leave civilian service with the Army in mid-1948. [redacted]. Silver, born in 1919 of Russian parents, entered the US Army in 1942 after graduation from Tufts College and Harvard University. He served as an interrogator in Europe, both in the military and as a civilian. [redacted] His experiences as an Army interrogator at Camp King are recounted in Arnold M. Silver, "Questions, Questions, Questions: Memories of Oberursel," *Intelligence and National Security* 8 (April 1993): 199-213. This same article was reprinted after Silver's death in the Winter 1993 issue of *Studies in Intelligence*. (S)

[23] Cable [redacted] to SO, 29 March 1947, [redacted] 029, IN 11573, (S), in DO Records, [redacted] Box 8, Folder 162, CIA ARC. (S)

[24] HARVARD, as an agent training site, was first discussed in 1947. See Stewart to Helms, 23 April 1947, MGH-008-423, (S), enclosing Lt. (j.g.) Dean Woodruff to Stewart, "Report on 'Harvard' Project," 8 April 1947, (S); Helms to Stewart, "Attached Letter for [redacted]" 16 May 1947, MGH-005-516, (S), enclosing Dean Woodruff to [redacted] 9 May 1947, (S); both in DO Records, [redacted] Box 50, Folder 3, CIA ARC. See also [redacted] to Stewart, "HARVARD Training Plan," 25 June 1947, MGH-A-268, (S), in DO Records, [redacted], Box 276, [no folder listed], CIA ARC. As will be discussed later, HARVARD took on greater responsibilities in 1952. See Chief, EE to Chief,

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year later, in the spring of 1949, Lt. Col. Louis E. Kubler returned to the United States on leave.[25] While in Washington on temporary duty, the German Mission's executive officer debriefed Headquarters on the disposal situation in the field.[26] Kubler described HARVARD's setup in Germany, documentation efforts, various operational cases, and disposal measures. He noted that the German Mission's disposal unit actually consisted of two sections with Kubler in charge of the Karlsruhe office. (The German Mission had moved its headquarters from Heidelberg to Karlsruhe in 1948). This office obtained original documents, such as identity cards, labor cards, ration cards, and birth and marriage certificates, for prospective defectors. Kubler procured these documents through various overt and covert means, although he preferred to alter original records as opposed to making forgeries.[27] (S)

At the same time, Capt. Lucien E. Conein in Frankfurt was responsible for the actual housing, care, and resettlement of the agents, defectors, and their families. Capt. Conein handled most of the defector cases in Germany while Lt. Col. Kubler handled cover support. Conein, according to Kubler, employed two general methods to evacuate individuals from Germany. "If you want to send someone to South America because he

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Foreign Intelligence, "Project HARVARD," [no date listed but pertaining to project renewal in summer of 1955], (S), in DO Records, [redacted], Box 1, Folder 10, CIA ARC. (S)

[25]Overseas Division to Deputy Personnel Officer, "Casual Status Report," 31 May 1949, (S), in DO Records, [redacted], Box 2, Folder 34, CIA ARC. Louis E. Kubler served as the Executive Officer for the War Department Detachment in Germany from 1946 until 1949. A veteran of World War I, Kubler also saw service with the OSS in the Middle East, the Balkans, and China. He entered the military in 1943 after working for 18 years with the New Jersey State Police. Kubler resigned from the Army in 1950 [redacted]

[26]Chief of Station, Karlsruhe to Chief, FBM, "Debriefing Report," 6 July 1949, MGK-A-9433, (S), in DO Records, [redacted], Box 3, Folder 27, CIA ARC.

[27]Ibid. (S)

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has done something of reasonable value to the organization, but not enough to the States, provided he is no longer a security hazard, you can dump him in the IRO," the colonel commented. Using the International Refugee Organization was relatively simple and inexpensive because many of the defectors or former agents could pose as either refugees or displaced persons. Through IRO sponsorship, they could immigrate in turn to North America, Australia, or other nations within Europe.[28] (S)

With agents or defectors "where the case is very sensitive," the Agency handled disposal through "black" channels. Kubler noted that the CIA evacuated these people through [redacted] by posing them as American soldiers on leave. Prior to this point, CIA [redacted] had bribed an official of a [redacted] country to provide an immigrant visa. At the same time, US officials "convinced" [redacted] to issue a transit visa and overlook the fact that the American soldiers never returned to Germany. Kubler estimated the cost of removing one person to be between $1200 and $1500, not including living costs while in Germany. While Lt. Col. Kubler was aware of the Italian ratline, he did not say that the German Mission employed CIC's evacuation channels. The majority of the Agency's defectors appeared to have been Russian officers or various Eastern European political officials.[29] (S)

The Kemritz Case (U)

The Agency not only evacuated defectors and agents from Germany to other nations, but it also made similar arrangements for agents to move within the occupied

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[28]Ibid. (S)
[29]Ibid. (S)

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country.[30] Hans Kemritz presented an unusual case that created large headaches for American intelligence.[31] Born in 1888, Kemritz had been a prominent Berlin lawyer before the war and an NSDAP member. While he claimed to have held anti-Nazi sentiments, Kemritz served in the *Abwehr* as an officer from 1939 until his capture by the Russians at the end of the war. Following his release from prison, the Soviets used Kemritz to lure his former Army and SS intelligence comrades to Berlin where the Russian Intelligence Service then arrested them.[32] In February 1946, SSU managed to recruit Kemritz and, according to one report, "SAVOY [his operational codename] is the outstanding double-agent under our control at present and continues to supply excellent material which has contributed to our knowledge of MVD organization, techniques and plans."[33] (S)

Due to his exposed position in Berlin, OSO moved Kemritz to the American zone in November 1946 and settled him near Frankfurt. After working several years as a lawyer, the German police arrested him on charges dating to his work for the Soviets in Berlin. Realizing that Kemritz's arrest threatened to reveal the work of American intelligence in the divided city, the US High Commissioner arranged to have the case transferred from the German judicial system. The US Government then dropped the charges against Kemritz while placing both he and his wife under "protective custody" at

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[30]Cables from Berlin to Washington concerning various defector cases in 1947 are found in DO Records, [redacted], Box 7, Folder 202, CIA ARC. Additional correspondence about 1947 defector cases are found in DO Records, [redacted], Box 5, Folder 203, CIA ARC. (S)

[31]Chief, EE/SO to Acting Chief, WH, "Request for Rehabilitation and Resettlement of Hans and Else Kemritz," 21 March 1952, (C), in DO Records, [redacted], Box 5, Folder 2, CIA ARC. (C)

[32]Chief, SSU/X-2 Germany to Chief, Counter-Intelligence Branch, G-2, USFET, "Request for CIB Approval Kemritz Project, Berlin," 29 April 1946, LWX-275, (S), in DO Records, [redacted], Box 1, Folder 13, CIA ARC. (S)

[33]SAINT, AMZON to SAINT, "Security Control Division Report for Month of June, 1946," 10 July 1946, LWX-593, (S), in DO Records, [redacted], Box 1, Folder 10, CIA ARC. (S)

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Camp King from June 1951 until early March 1952. The Kemritz case, however, drew public attention and upset German-American relations; hence, the West German Government thought that his removal from Europe offered the best solution. As a consequence, the CIA transported Kemritz and his wife from Germany to the United States in the spring of 1952 pending a complete decision about his ultimate destination.[34] (S)

The Right Hand of Uncle Joe (U)

Just as Kemritz's case had its own problems, the disposal of other agents and defectors was also "irregular." In fact, the American caretakers dealt with a number of peculiar cases.[35] It was often difficult to establish the *bona fides* of the defectors and to determine their true motivation. They had overblown ideas of their importance and, in the words of [redacted] "everyone of the characters feel that they were the right hand of Uncle Joe."[36] Maintaining control over the defectors was often tested when the Agency held them for months and sometimes years while waiting for resettlement. The familiarity and knowledge that the defectors gained during their long stay with American intelligence in Germany contributed to the overall insecurity of the disposal operations. (S)

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[34]Chief, EE/SO to Acting Chief, WH, "Request for Rehabilitation and Resettlement of Hans and Else Kemritz," 21 March 1952, (C), in DO Records, [redacted], Box 5, Folder 2, CIA ARC. Ironically, Mrs. Kemritz stirred US-German relations in the late 1960s when she desired to return to Germany from Argentina following her husband's death. [redacted] interview, 3 July 1995. (C)

[35]As an example of one former agent's actions, see Chief of Station, Heidelberg to Chief, FBM, "Disposal of [redacted]," 5 January 1947 [1948], MGH-A-2553, (S), in DO Records, [redacted] Box 6, Folder 209, CIA ARC. (S)

[36]Chief of Station, Karlsruhe to Chief, FBM, "Debriefing Report," 6 July 1949, MGK-A-9433, (S) in DO Records, [redacted] Box 3, Folder 27, CIA ARC. (S)

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The overall topic of disposal generated considerable unrest within the Central Intelligence Agency. As early as February 1948, [redacted] (formerly SSU's chief of the Austrian Mission) told FBM's chief, Richard Helms, that "in Germany, Austria and in eastern Europe generally, disposal of agents or compromised personalities is extremely troublesome." [redacted] protested that the Office of Special Operations had not examined all facets of the evacuation process from Europe. Until the Agency took steps to consolidate its efforts in South America and infiltrate the International Refugee Organization, its halfhearted measures would contribute to "the logjam of displaced persons in our operational areas in Germany."[37] (S)

Miscellaneous Operations Section (U)

In an effort to coordinate worldwide disposal activities, [redacted] took charge of the Miscellaneous Operations Section (MOS) in OSO in March 1948.[38] His first steps included sending a questionnaire to all foreign branches to ascertain the exact disposal needs for each station. [redacted] also wanted to learn how each nation handled immigration, passport control, and to see how the Agency might influence policies

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[37] [redacted] to Helms, "Disposal of Agents, Suggested Solutions for," 10 February 1948, (S), in DO Records, [redacted], Box 1, Folder 18, CIA ARC. (S)

[38] [redacted] had a doctorate in [redacted] from [redacted] University when he received a commission as a Navy officer in 1943. He served with OSS in Washington, North Africa, Italy, and Germany and received his discharge in 1946. [redacted] joined SSU in August of that year and became chief of MOS in the summer of 1947. In addition to his duties of coordinating OSO's disposal efforts, [redacted] was also in charge [redacted] He resigned in May 1949 to return to archeology [redacted]

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through bribes or favors.[39] Even before [redacted] sent his questionnaire to the overseas stations, he knew that he needed to get more information on the IRO.[40] (S)

The CIA's general inability to cope with defectors continued to plague officials in both Germany and Washington. In early March 1949, [redacted] and [redacted] summarized the German Mission's experiences with defectors.[41] After reviewing the numerous problems encountered in Germany (including low-level defectors who caused more difficulties than the intelligence they produced), both men appealed to Headquarters for support:

> The crux of our position is that, unless the interrogation of high-level defectors and preparations for their disposal can take place in the US, OSO will have to forego to a large extent the benefits that can be derived from defection cases. Two requirements must be met: facilities should be brought into existence for the handling of high-level defectors in the US; and provisions should be made to accept only personnel of highest intelligence caliber.[42] (S)

Upon the return of [redacted] and [redacted] to Washington later that month, both officers discussed the situation with their Headquarters counterparts. The representatives from Germany, including Gordon Stewart, quickly realized that Washington was not fully cognizant of the difficulties of using the IRO as a disposal channel. At the same time, the

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[39]Chief, MOS to COPS, "Disposal Problem," 25 February 1948, (S), in DO Records, [redacted] Box 1, Folder 18, CIA ARC. [redacted], COPS, approved his proposal on 26 March 1948. Responses to the questionnaire from various Latin American countries are located in DO Records, [redacted], Box 3, Folders 51-69, CIA ARC. (S)

[40]Chief, MOS to Deputy Chief of Operations for Plans and Projects, "International Refugee Organization," 25 February 1948, (S), in DO Records, [redacted], Box 1, Folder 17, CIA ARC. (S)

[41]Ibid. [redacted] and [redacted] ran the German Mission's disposal operations in 1949. (S)

[42]Chief of Station, Karlsruhe to Chief, FBM, "Defection and Disposal," 7 March 1949, MGK-A-6723, (S), in DO Records, [redacted], Box 1, Folder 34, CIA ARC. (S)

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German Mission personnel criticized the fact that the CIA smuggled the defectors out of Europe through covert means. "The United States Government is overtly in the business of encouraging defection from iron curtain countries," the conferees noted. "Why can't it openly approach a Latin American country seeking immigrants and make arrangements from government to government, providing a haven and work for these people?" By resorting to "black" methods, the Agency's "short-sighted policy . . . may solve a few cases now but will make the business harder than ever a year from now."[43] (S)

The lukewarm reports from [redacted] and [redacted] persuaded OSO that it was time to undertake a review of its defector procedures. While [redacted] had been in charge at Headquarters, his resignation spurred [redacted] to appoint [redacted] the chief of Special Equipment Staff, to assess disposal operations.[44] At the end of June 1949, [redacted] submitted his report outlining the current state of disposal methods and made a number of recommendations to formalize links between the "disposal control officer" at Headquarters and the "Field Disposal Unit."[45] (S)

Agency Steps (U)

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[43]"Notes on a Meeting on 13 March betweer [redacted] ' (S), in DO Records, [redacted] Box 1, Folder 18, CIA ARC. (S)

[44] [redacted] , born in 1921, joined COI in 1941 and later served in the US Navy during the war. Suffering serious wounds in combat, [redacted] served in headquarters positions with OSS and SSU in Washington. He later served in Germany at the Pullach Operations Base working with the German intelligence service on technical collection methods. [redacted] resigned in 1963 [redacted] See also David Wise, *Molehunt: The Secret Search for Traitors that Shattered the CIA* (New York: Random House, 1992). (S)

[45]Chief, Special Equipment Staff to ADSO, "Disposal Operations," 30 June 1949, (S), in DO Records, [redacted], Box 1, Folder 18, CIA ARC. (S)

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[redacted] efforts were soon overtaken by actions at the national level. The formation of the Office of Policy Coordination, with its plans to draw upon emigre groups, led to greater cooperation between the new organization and the Office of Operations. By early October 1948, Frank Wisner took steps to ensure that defectors "are dealt with in a manner which will be productive of the best results not only from the foreign intelligence procurement but also in order that the 'political warfare' interests of OPC may be served."[46] Wisner followed this up with a memorandum of understanding between the three branches of CIA (OSO, OPC, and OO) that sought to coordinate the treatment, recruitment, and operational use of "significant political refugees" in the United States.[47] The ADPC then pressed the DCI for better control of defectors within CIA.[48] (S)

Over the next several years, the CIA resolved many of the uncertainties regarding defection and disposal through the establishment of formal procedures. In the spring of 1949, the ADSO asked the DCI to "appoint an inter-office committee to study, and, if possible, resolve the problems facing this Agency." Col. Robert A. Schow specifically

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[46]Wisner to DDCI, "Division of Responsibility between OPC and OO for Domestic Handling and Disposition of 'Defectors,'" 12 October 1948, (C), in DO Records, [redacted] Box 5, Folder 3, CIA ARC. (C)

[47]Wisner, Memorandum of Understanding between OSO, OO, and OPC, "Handling of Refugees in the United States," 15 October 1948, (C), in DO Records, [redacted] Box 4, Folder 5, CIA ARC. For Hillenkoetter's response, see DCI to ADPC, 12 November 1948, ER-O-2010, (C), in DCI Records, [redacted], Box 13, Folder 538, CIA ARC. (C)

[48]ADSO, ADOO, and ADPC to DCI, "Establishment of a Secure and Orderly Procedure for the Handling of Individuals Seeking to Present Proposals involving Covert Intelligence or Operational Activities," 19 October 1948, (C), in DO Records, [redacted], Box 4, Folder 5, CIA ARC. See also Wisner to [redacted] and Kirkpatrick, 18 October 1948, (C), in same job as above. The DCI approved the recommendations of the three assistant directors in November 1948. See DCI to ADOO, ADPC, and ADSO, "Establishment of a Secure and Orderly Procedure for the Handling of Individuals Seeking to Present Proposals involving Covert Intelligence or Operational Activities," 17 November 1948, ER-O-1742, (C), in DCI Records, [redacted], Box 13, Folder 538, CIA ARC. (C)

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cited the mounting problems in Germany where most defectors were located.[49] Adm. Hillenkoetter did not take action until the late summer after he was prompted by two significant events: the CIA Act of 1949 (passed in June) and the debacle concerning the handling of the two Soviet pilots brought to the United States after their defection in Austria. (C)

Section 8 of Public Law 110 did not appreciably alter the state of defection and disposal; in fact, Hillenkoetter took a conservative approach to the subject. In a letter to the Attorney General on 1 August 1949, the DCI announced that he was in the process of establishing internal procedures. He wrote, "this authority is purely for the fulfillment of urgent operational needs and is in no sense to be used as a substitute for immigration authorities or other current laws and regulations pertaining to the entry of aliens into the United States." The DCI also acknowledged that the CIA was responsible for all individuals who entered the country under the auspices of PL 110, and he recognized that they could be deported for "causes arising out of circumstances subsequent to such arrival."[50] Adm. Hillenkoetter took Section 8 seriously because the Agency used it to bring only two aliens into the country during the course of 1949 and 1950.[51] (C)

There was mounting pressure from departments and agencies throughout Washington for the CIA to coordinate defector activities at the national level. In the fall

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[49]ADSO to DCI, "Defectors and Disposal," 5 April 1949, DO Records, [redacted], Box 5, Folder 2, CIA ARC. (C)

[50]DCI to US Attorney General, 1 August 1949, ER-O-4673a, (S), in DCI Records, [redacted] Box 13, Folder 538, CIA ARC. Hillenkoetter made similar guarantees to the Immigration and Naturalization Service. See DCI to Watson B. Miller, Commissioner of Immigration and Naturalization, 28 November 1949, ER-O-7709, (C), in DCI Records, [redacted] Box 13, Folder 538, CIA ARC. (C)

[51]Both DCI Hillenkoetter and Smith provided written reports to Sen. Pat McCarran, chairman of the Senate Committee on the Judiciary, every quarter to inform him how many aliens were admitted under Section 8. Copies of these reports are found in DCI Records, [redacted], Box 13, Folder 538, CIA ARC. (S)

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of 1949, Adm. Hillenkoetter finally established a working committee to determine the Agency's responsibilities for defectors. Chaired by Harry Rositske, who also served as chief of Foreign Division S, the group provided, for the first time, a definition of defectors as opposed to simple refugees:

> Individuals who escape from control of the USSR or countries in the Soviet orbit, or who, being outside such jurisdiction or control, are unwilling to return to it, and who are of special interest to the US Government (a) because they are able to add valuable new or confirmatory information to existing US knowledge of the Soviet world, (b) because they are of operational value to a US agency, or (c) because their defection can be exploited in the psychological field.[52] (S)

Additionally, Rositzke's group concluded that the CIA should have the primary responsibility for coordination of defector policies and handling. In January 1950, the National Security Council adopted the committee's report and issued it as NSCID No. 13. Within the course of the following year, CIA quickly moved to take the lead for defectors with NSCID 14 in March 1950, which delineated the responsibilities for defectors between the CIA, FBI, and other agencies. Director of Central Intelligence Directive (DCID) No. 14/1 in July 1950 established an Interagency Defector Committee (IDC) with members from the CIA, State Department, the Army and Navy, as well as the FBI to implement the two new NSCIDs.[53] (S)

Hillenkoetter and his successor, Gen. Smith, also took steps to improve the CIA's internal procedures. A new CIA Defector Committee came into existence in 1950 to review disposal cases under revised administrative instructions issued by Headquarters.[54]

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[52] [redacted] p. 6. (S)

[53] Ibid., pp. 7-8. (S)

[54] CIA, Administrative Instruction [redacted] 5 April 1950, (S), in DO Records, [redacted] Box 1, Folder 23, CIA ARC. (S)

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In Germany, the Agency succeeded in establishing its own Defector Reception Center (DRC) near Frankfurt in early 1951 to handle interrogation of defectors and their preliminary resettlement.[55] Within the first year, DRC processed [ ] defectors with the majority being Russians, Czechs, and Poles. The group was nearly split between civilian and military personnel and several of the defectors brought their wives and children. From these [ ] defectors, CIA obtained nearly 400 positive intelligence reports. The Agency resettled [ ] of the defectors in Canada, the United States, Brazil, France, and Sweden. [ ] of the defectors entered into "operational use" with CIA, while a handful joined labor service companies in Germany and even enlisted in the US Army. At the same time, the CIA commenced a debriefing program of German scientists returning from the Soviet Union.[56] (S)

The motives behind Soviet defection particularly interested Frank Wisner, who continually strived to exploit fission within the USSR. Responding to an inquiry from British intelligence in 1952, Wisner provided a breakdown as to why [ ] Soviets had defected to the Americans. He noted that only a few Russians left for purely ideological reasons; fear of the Soviets and discontent with the regime were the main elements. Of the [ ] men who expressed fear of imminent recall to the USSR or fear of arrest, 15 were afraid because of wartime collaboration with the Germans. Consequently, the largest

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[55] [ ] for full details. (S)

[56] Undated, unsigned, memorandum providing synopsis of DRC's activities during the first year of operation. Considerable material concerning DRC and the Returnee Exploitation Group (REG) is found in CIA History Staff Records, HS/CSG-1300, [ ], Box 9, CIA ARC. See also DCS-2, pp. 34-36. Further information on DRC is also found in DO Records [ ], Box 1, Folder 12, CIA ARC. (S)

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single motive that impelled Soviet defection to the Americans had its roots in wartime activities with the Nazis, according to Wisner.[57] (S)

In late 1953, the Inspector General reviewed CIA's defector program and found that it had achieved its overall goals, especially in Germany where HARVARD (which had been expanded) and DRC were performing well.[58] In contrast, the Agency's [redacted] had proven costly and original estimates had been "unrealistic."[59] Closely tied to the Agency's own efforts to encourage defection, the CIA also took advantage of other US programs designed to aid postwar Europe and to fight communism. The Displaced Persons Act of 1948, the US Escapee Program, the Army Enlistment Program, or Lodge Act, and the 1953 Refugee Relief Act, all enabled the Agency to resettle some defectors.[60] (S)

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[57]Wisner to [redacted], 9 June 1952, ER 2-9708, (S), in CIA History Staff Records, [redacted] Box 1, CIA ARC. (S)

[58]Records concerning HARVARD's activities following its 1952 expansion are located in DO Records, [redacted], Box 3, Folder 23, and [redacted], Box 1, Folders 9 and 10, CIA ARC. (S)

[59]Chief, Inspection and Review to Inspector General, "Survey of the Defector Program," 25 November 1953, (C), in DO Records, [redacted], Box 15, Folder 13, CIA ARC. See also Chief of Administration to Acting DCI, "Defector Program," 11 February 1953, (C), in the same job as above. (C)

[60]For further description of the Displaced Persons Act, see the various semi-annual reports of the Displaced Persons Commission from 1949 to 1951. Section 2(d) of the amended DP Act in 1950 contained a provision for US Government agencies to bring persons of interest, not to exceed 500, to America. See Chief, Inspection and Security to ADSO, "Displaced Persons Act of 1948 as Amended on 16 June 1950," 29 August 1950, (C), in DO Records, [redacted], Box 1, Folder 17, CIA ARC. Further description of this provision is found in Innis D. Harris, State Member, State-Defense Committee, Frankfurt, to George B. McManus, Chief, Collection and Evaluation Division, Office of Intelligence, HICOG, "Immigration into the US of 500 Persons who fall under Provisions of Section 2 (d) of the Displaced Persons Act," 2 March 1951, (C), in CIA History Staff Records, HS/CSG-1300, [redacted], Box 9, CIA ARC. McManus was the first director of the Defector Reception Center in Germany. For information on the other programs, see Chief, Defector Branch, FI to Disposal Seminar Participants, "Topics for Consideration at Disposal Seminar," 7 December 1953, (C), in DO Records, [redacted] Box 15, Folder 14, CIA ARC. The 1953 act is covered in Director of Security to DCI, "Use of

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The Barbie Fallout and PL 110 (U)

The issue of defectors and their disposal came under Congressional scrutiny in 1983 after the public learned of Klaus Barbie's escape through the Army's ratline operation in southern Europe. The Agency's sensitivity about the entire topic, in the light of the Barbie affair, created the impression that the CIA abused its privilege under Public Law 110 to bring Nazis and their collaborators to the United States. In 1983, the Senate Select Committee on Intelligence requested that the Agency account for its use of 1949 law to admit aliens for permanent residence in the United States.[61] (S)

The Agency informed the legislative branch that some [ ] individuals had entered the US between 1949 and 1982 under PL 110 status; an average of [ ] each year. [ ] of these defectors and former agents arrived during the 11 years after the law's enactment. After examining the application paperwork of the [ ] cases, [ ], CIA's legislative liaison, determined that there was "no evidence of Nazi war criminals being admitted to the US under Section 7." [ ] did not consider the furor about Gustav Hilger and Mykola Lebed justified because there were no allegations or information of war crimes activity in the files of either man. "We are not aware," the legislative counsel wrote, "that the war crimes allegations have been substantiated with respect to either of these individuals."[62] (S)

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the Refugee Relief Act of 1953 in CIA Resettlement Cases," 10 March 1954, ER-5-3117, (S), in DCI Records, [ ], Box 13, Folder 537, CIA ARC. (S)

[61] [ ], Deputy Director, Office of Legislative Liaison, to Peter Sullivan, Minority Counsel, Senate Select Committee on Intelligence, 7 October 1983, OLL-83-2477, (S), in Lebed, [ ] DO Records. (S)

[62] Ibid. (S)

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It is interesting to note the background of the [redacted] individuals who entered the country between 1949 and 1960. The Directorate of Operations had [redacted] files while the Office of Security maintained the remaining [redacted] Of those [redacted] files, the DO located [redacted] records that provided information regarding the application for PL 110 status. The records ascertained that three of the applicants had served in the German army, three had been members of the Vlasov army, while another three "may have had some possible Nazi connection."[63] Thus, the DO determined that only nine of [redacted] individuals were known at the time to have been affiliated in some form with the Third Reich. As can be seen from this brief sample, the Nazi background of the PL 110 immigrants was rather limited. This is not surprising given that Section 8 (later Section 7) existed as a law to permit the Agency to bring communist party members to the United States for intelligence and propaganda purposes. At that time, Federal immigration laws excluded communists from immigrating to America; consequently, PL 110 served as the main conduit to legally circumvent this barrier. (S)

What can be summarized as the legacy of the Agency's Cold War defector program? Initially, OSS wanted to reward its European agents for faithful service during the war. Within months, however, this changed as the Soviets drew a tighter grip over Eastern Europe and the Americans found it necessary to evacuate its covert personnel from danger. The United States did not have a set plan to permit the emigration of its agents from Europe or to deal with defectors or deserters from the Soviet bloc. As a result, SSU, CIG, and CIA gradually slipped into the role as the responsible agency to handle defectors and their resettlement. By 1949, the problem of how to deal with these

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63 [redacted], Memorandum for the Record, "Review of Office of Security Files," 18 February 1983, OGC 83-01425, (S), in OGC Records, [redacted], Box 1, Folder 2, CIA ARC. (S)

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people had become critical, especially in Germany. New laws, such as the Displaced Persons Act of 1948 and the CIA Act of 1949, provided some help, but the NSC intelligence directives gave real direction to the Agency. After 1950, the Central Intelligence Agency was fully committed to using defectors as a weapon in fighting the Cold War. (C)

While an imperfect weapon, CIA did not deliberately use its position to "smuggle" Nazis out of Europe or to bring them or their collaborators to the United States. There were some definite mistakes; Otto von Bolschwing stands out as a prime example, although the Agency did not use Section 8 in the Prussian's case. The Central Intelligence Agency did not conduct clandestine defection and disposal without supervision. On the contrary, the Agency, after some delay and reluctance, became the forerunner in establishing the legal channels to facilitate the resettlement of agents and defectors from the Soviet bloc. In the long run, the Agency's insistence on forming these procedures to regulate the handling of defectors contributed not only to its intelligence mission, but also prevented other Klaus Barbies from evading justice. (C)

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NAZI WAR CRIMES DISCLOSURE ACT
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Chapter Thirteen

More Than Usual Affinity for the Opposite Sex (U)

In 1951, the CIA launched Operation REDCAP, "a systematic and concentrated program of penetration and defection inducement operations directed at Soviet official installations outside the USSR." The new program, expanding on earlier ad hoc efforts to recruit Soviets, had the following objectives:

- Agent recruitment in place for local intelligence and counterintelligence coverage.
- Agent recruitment in place for USSR coverage.
- Immediate defection for intelligence procurement.
- Agent recruitment for return to the USSR under official cover.
- Immediate defection for employment as agent to be dispatched under illegal cover to the USSR.[1] (S)

The new REDCAP program focused on individual Soviets posted outside of Soviet territory; occupied Austria and Germany presented the most fertile soil for inducement operations. "We should," a 1952 paper offered, "know the characteristics, habits, weaknesses, (whether sex or alcohol), places of residence, restaurants they frequent, shops they patronize, names and addresses of their secretaries and mistresses if any. We should eventually be in a

[1] [illegible] Clandestine Services Historical Paper [illegible]

Copy of this paper is on file at the CIA History Staff and in DO/CE/RPRB files. (S)

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position to find those in real trouble, who of them are fearful of being recalled. Once we spot them, we can timely approach them and win their confidence. We must first find out who of them are in mess, whether they be in embassy, consulate, or purchasing mission. Each must be dealt with on his own merits, in accordance with his character, temperament, mental equipment, and background. They must be approached individually by our best trained men who have all the imagination, personality, ingenuity, and linguistic ability to contact these men after we have found out all we possibly can about them."[2] (S)

Sergei Lvovich Shebalin (U)

Approaching Soviet officials in the early 1950s was not an easy matter. Language barriers aside, Soviets posted abroad distrusted Western motives and were warned by their own security services to have no contact with Americans, in particular. In an effort to overcome these obstacles, the Agency employed "cutouts" and friendly liaison services as a means of establishing contact with Russians and other Soviet Bloc personnel. The Agency used four types of approaches: the "cold" approach; the approach based on information that the target desired to live outside of the USSR; the approach that the target was in trouble for political, criminal, or personal reasons; and, finally, the blackmail approach. Cutouts could be useful for each of the four approaches.[3] (S)

[2]Ibid, pp. 14-15. (S)
[3]Ibid, p. 29. (S)

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Sergei Lvovich Shebalin appeared to be an excellent candidate as a REDCAP cutout. The son of Lev Victorovich Romadanovsky, a Russian Imperial Navy admiral, Shebalin was born Rostislav Lvovich Antonov (his father had changed the family's name after the Russian Revolution) in Leningrad in 1920. He attended schools there and joined the Red Army in 1939. By the time of his capture near Stalingrad in 1942, Shebalin had been promoted to captain and commanded a battery of rocket artillery. Spending only a brief time in German captivity, Shebalin became the adjutant to Andrei Vlasov, a Soviet general who raised the *Russkaya Osvoboditelnaya Armiya*, or Russian Liberation Army (ROA), to fight with the Nazis against the Soviets. In this position, Shebalin was closely connected with Vlasov's efforts to recruit Russians to take up arms against communism.[4] (S)

In the spring of 1945, Shebalin barely escaped from the Russians and sought refuge behind American lines.[5] Shebalin avoided forced repatriation by the Americans to the Soviet Union where, no doubt, he would have met a quick death for his anticommunist, pro-Nazi activities.[6] He moved around southern Germany using various names and made his living on the

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[4]For details on the Vlasov and the ROA movement, see Sven Steenberg, *Vlasov*, trans. by Abe Farbstein (New York: Alfred A. Knopf, 1970) and Jurgen Thorwald, *The Illusion: Soviet Soldiers in Hitler's Armies*, trans. by Richard and Clara Winston (New York: Harcourt Brace Jovanovich, 1975) (U)

[5]Shebalin's escape from the Soviets is recounted in Steenberg, pp. 203-211 and Thorwald, pp. 295-299. (U)

[6]In fulfillment of the terms of the Yalta Agreement, the Americans repatriated over a million Russian soldiers who had been German prisoners of war, forced laborers, as well as members of the Vlasov Army to Soviet forces in 1945. By August of that year, the US Army had returned over 90 percent of the Soviet citizens in the American zone in Germany. The remainder, estimated at nearly 40,000, refused to be returned to their homeland. American soldiers forcibly returned these Russians, many of whom were former Vlasov Army members. An unpleasant task, the forced repatriation of thousands of Russians to the Soviet Union by the Western Allies in 1945-46 remains controversial to this day. Earl F. Ziemke, *The US Army in the Occupation of Germany 1944-1946* (Washington, DC: US Army Center of Military History, 1975), pp. 284-291 and 413-421. (U)

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black market.[7] German and American authorities arrested Shebalin as a White Russian collaborator in 1945 and again in 1946 for using several aliases and having different identity papers. The US Army's Counter Intelligence Corps (CIC) also raided Shebalin's house in Memmingen in the fall of 1948.[8] (S)

By 1951, Shebalin (he formally took his mother's maiden name as his last name in 1950) came to the CIA's attention. The Agency recruited Shebalin as an agent in June of that year to handle cross-border balloon operations in conjunction with a Russian emigre organization in Germany. The Agency observed that Shebalin "loves adventure and interesting deals" and "loves the black market and plays it with rare skill." Shebalin, in the eyes of his Agency handlers, was "a combination of a sincere anti-Bolshevik and is a black-marketeer."[9] (S)

Shebalin's recruitment in 1951 coincided perfectly with the startup of REDCAP, the Agency's new defector inducement program. Shebalin, who spoke native Russian and excellent German, was deemed "reliable" and "genuinely anticommunist" after undergoing Agency testing. Prior to his recruitment by CIA, Shebalin had worked for the *Amt Blank*, a predecessor

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[7]Among his pseudonyms, Shebalin used the name of Sergei Frohlich in mid-1945. Ironically, the real Sergei Froehlich, a Baltic German, served as Vlasov's German liaison officer. After the war, Froehlich provided information to US intelligence on the activities of Russian emigres in Bavaria, and he later worked for the nascent West German intelligence service. In 1951, Froehlich attempted to recruit Shebalin to work for the Americans and later for the German *Amt Blank*. The two men, who had known each other since 1943, had fairly close ties because of their work together in the Vlasov Army. For further details, see Directorate of Operations Records, Sergei BERNHARDowitsch Froehlich, [redacted] DO Records, and "Froehlich and a Branch of the *Amt Blank*," in [redacted] to [redacted] "Meeting with GRALLSPICE on 12 July 1952," 9 August 1952, MIL/8274, (S), in DO Records, [redacted], Box 12, Folder 3, CIA ARC. (S)

[8]Biographical details of Shebalin's life are found in Chief of Station, Karlsruhe to Chief, Foreign Division M and Chief, Foreign Division S, "Transmittal of PRQ Part I for Sergei Lvovich Shebalin," 29 October 1951, MGMA-7327, (S) in DO Records, Sergei Lvovich Shebalin, [redacted] DO Records. Russian informants had told the Army that Shebalin had Soviet propaganda material in his house; instead, the raid revealed several suitcases of vodka that Shebalin planned to sell on the black market. (S)

[9]Chief of Station, Karlsruhe to Chief, FDM, "Transmittal of PRQ, Part II of CACHINNO 4," 31 July 1951, MGMA-6603, (Secret) in Shebalin, [redacted] DO Records. (S)

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to West Germany's ministry of defense.[10] In short, he fit the mold of what the Agency needed in 1951 to launch the REDCAP program. (S)

REDCAP and Shebalin (U)

In late 1951, the Agency decided to send Shebalin to Vienna, Austria, where he would serve as a "contact man" and "spotter in the Vienna Redcap program." Shebalin, who preferred to go to Berlin because of his familiarity with the city during the war, was assigned the following targets:

- Exploration of Vienna black market channels for Redcap possibilities.
- Exploration of the Vienna underworld for possible Redcap contacts.
- Spade work and contact man for specific Austrians already in contact with one or more Soviets.[11] (S)

Specifically, the CIA wanted Shebalin to make contact with Soviets dealing in the black market as well as with prostitutes serving Soviet civilian and military personnel in Vienna. Like Berlin, the Allies shared occupation sectors in Vienna–a city located in the heart of the Soviet occupied zone of Austria. Because of the high concentration of Soviet troops around Vienna, the Agency expected that it could readily exploit the city's underworld connections. However, CIA's "attempts to use Vienna prostitutes as possible contacts has thus far fallen through, largely

[10]Shebalin may have also worked for the Gehlen Organization, the predecessor to the West German Federal Intelligence Service, when he debriefed returning German prisoners of war about Soviet missile technology. (S)

[11]Chief of Station, Vienna to Chief, FDM and Chief, FDS, "Project Outline of CATARATA," 5 December 1951, MAVA-9998, (S), in DO Records, [redacted], Box 12, Folder 3, CIA ARC. A copy of this same document is also located in Shebalin, [redacted], DO Records. (S)

because we have been unable to find a reliable Austrian to exploit this possibility."[12] Shebalin's own black-market experience in Germany seemed a perfect match for his projected mission in Vienna. (S)

GRALLSPICE (S)

In January 1952, Headquarters approved a proposal of the Vienna Operations Base (VOB) to use Shebalin in its REDCAP program and gave him the new operational cryptonym of GRALLSPICE.[13] The Agency backstopped Shebalin as a German national working in Vienna as a representative of a German firm purchasing surplus US Army material for resale in Germany. This cover not only allowed Shebalin to work with local black marketeers in some minor money-changing deals, but it gave him the freedom to move about the city.[14] The Agency believed that Shebalin was motivated by several factors, including his anticommunist and anti-Soviet background, his desire to immigrate to the United States, and his own financial self-interest. The Agency paid Shebalin a monthly salary of $200 plus an additional 1000 Austrian shillings. To cover his housing expenses, Shebalin received another 800 Austrian shillings per month as well as extra funds and supplies for operational purposes. Shebalin's Russian wife, Tatiana

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[12]Ibid. (S)

[13]Cable, Washington to Vienna, 10 January 1952, WASH 22115, (S), and Chief of Station, Vienna to Chief, FDM, "Assignment of Cryptonym," 14 January 1952, MAVA-10296, (S), in DO Records, [redacted] Box 12, Folder 3, CIA ARC. (S)

[14]Shebalin's cover was periodically updated and expanded during the time that he lived in Vienna and later in Salzburg. He faced continuous scrutiny from Austrian officials due to questions about his travel documents. As an example, [redacted] to [redacted] "Meeting with GRALLSPICE on 16 June 1952 Contact Report No. 4," 26 June 1952, MIL/7751, (S), in DO Records, [redacted], Box 12, Folder 3, CIA ARC. (S)

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Afonasiyevna Raun, whom he married in 1947, remained in Germany with their young daughter because the Agency felt that their presence in Austria would harm Shebalin's cover. Consequently, the Agency also paid a small per diem to provide for Shebalin's family in Germany.[15] (S)

Shebalin's arrival in Austria was less than auspicious and, perhaps, foreshadowed his performance for the CIA; the local police arrested him as he entered Austria. Traveling to Vienna from Munich in mid-April 1952, Shebalin had to pass both German and Austrian border controls. At the Salzburg train station, an Austrian official (who had served with German army intelligence during the war) grew suspicious because Shebalin claimed to be a German merchant, but used outdated US Army travel documents to cross into Austria. The Austrian then opened Shebalin's baggage and discovered a pistol whereupon Shebalin was taken into custody. The Austrian police later released him to the local US Army CIC office in Salzburg who, in turn, handed him over to CIA's Salzburg Operations Base (SOB). Shebalin then returned to Germany to await better documentation.[16] (S)

Shebalin in Vienna (U)

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[15]Chief of Station, Vienna to Chief, FDM and Chief, FDS, "Project Outline of CATARATA," 5 December 1951, MAVA-9998, (S), and [redacted] to John H. Richardson, "GRALLSPICE," 11 September 1952, MIL/8673, (S), both documents located in DO Records, [redacted], Box 12, Folder 3, CIA ARC. A copy of a contract, dated 15 September 1953, signed by Shebalin is located in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

[16]Chief of Station, Vienna to Chief, Eastern Europe, "GRALLSPICE Search by Austrian Customs and Detention by Austrian Criminal Police in Salzburg," 30 April 1952, MAVA-11159, (S), in DO Records, [redacted], Box 12, Folder 3, CIA ARC. See also Cable, Salzburg to Vienna, 16 April 1952, (S) in Shebalin, [redacted], DO Records. (S)

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Shebalin's arrest compounded earlier delays, and he did not arrive in Vienna until early June 1952 when he flew from Munich to the Austrian capital. At his first meeting with [ ], his case officer in Vienna, the two men discussed how Shebalin would operate in Vienna and his general targets. During the conversation, Shebalin proposed that he could approach Russians in Vienna by pretending to be an Austrian door-to-door salesman peddling wares, including lipstick and nylon stockings, to wives in the Soviet housing areas. Likewise, Shebalin felt that he could make the acquaintance of Soviets by frequenting certain Viennese cafes. When the subject of illicit liaisons between Soviet officers and Austrian women came up, Shebalin, according to his case officer, expressed "real enthusiasm."[17] (S)

In a follow-on meeting, [ ] and Shebalin expanded on the idea of using Austrian women as bait to entice Soviet personnel. In his notes after one meeting, [ ] wrote:

> GRALLSPICE was in complete agreement that the exploitation of Soviet-mistress relationships had by far the best chance for success. He said that he did not feel that the use of prostitutes was particularly worthwhile. The difficulty of spotting such Soviet-Austrian mistress relationships was discussed, and [ ] pointed out that such spotting was the function of the entire AIS [American Intelligence Service] in the Vienna area and that occasional success could be expected. (S)

Shebalin thought that "it might be sounder to recruit a number of girls with the proper mental and physical attributes and then to assist them to establish contact with selected Soviets."

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[17] [ ] to [ ] "Contact Report #1 - GRALLSPICE, 5 June 1952," 16 June 1952, MIL/7623, (S) in DO Records, [ ] Box 12, Folder 3, CIA ARC. (S)

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Both [redacted] and Shebalin felt that this approach offered "an excellent chance for success" and was "ideal if suitable girls could be discovered."[18] (S)

Shebalin proposed that he enroll in a summer school as "an excellent opportunity to allow him to come into normal contact with Austrian girls, who might be of operational use, and also to establish a circle of Austrian friends on a level most likely to be operationally productive."[19] In fact, Shebalin had already made the acquaintance of an Austrian-born woman, the wife of an American soldier in Vienna, who lived above Shebalin's apartment. At hearing this news, [redacted] decided to have Shebalin change apartments to avoid becoming too familiar with the residents.[20] (S)

In a review of Shebalin's first weeks in Vienna, [redacted] commented that he "appears to be an exceedingly valuable asset for our REDCAP operations in Vienna." Shebalin's knowledge of the Soviet mentality, his attention to detail, and his willingness to approach targets, whether Austrian women or black market operators, all highlighted his importance to American intelligence. His operational deployment had progressed slowly because [redacted] wanted to resolve Shebalin's cover problems and to get to know his strengths and weaknesses more closely.[21] (S)

Through the summer of 1952, [redacted] and Shebalin grappled with various ideas as to how to gain access to Russians in Vienna. The proposals ranged from mailing provocative

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[18] [redacted] to [redacted] "Meeting with GRALLSPICE, 9 June 1952 Contact Report No. 2," 26 June 1952, MIL/7750, (S), in DO Records, [redacted] Box 12, Folder 3, CIA ARC. (S)
[19] [redacted] to [redacted] "Meeting with GRALLSPICE on 12 June 1952 Contact Report 3," 26 June 1952, MIL/7754, (S), in DO Records, [redacted], Box 12, Folder 3, CIA ARC. (S)
[20] [redacted] to [redacted] "Meeting with GRALLSPICE, 23 June 1952, Contact Report No. 6," 27 June 1952, MIL/7765, (S), in DO Records, [redacted] Box 12, Folder 3, CIA ARC. (S)
[21] Chief of Station, Vienna to Chief, EE, "GRALLSPICE Progress Report, June 1952," 27 June 1952, MAVA-11586, (S), in DO Records, [redacted] Box 12, Folder 3, CIA ARC. (S)

letters to a Soviet officer in the hope that the fabricated information would fall into the hands of the Russian intelligence service. Faced with the incriminating evidence as spelled out in the letters, the officer would be left with no choice but to defect or "that we will have the secondary satisfaction of knowing that the officer's next post probably will be Siberia." Another plan proposed to invite a Soviet officer to an American billet or safehouse, place him in an incriminating position, and then have Shebalin, dressed as a Soviet officer, enter the room and place the real Soviet under arrest. At which point, the real Soviet's American host would call the US Army Military Police and have Shebalin, still posing as a Russian intelligence officer, arrested for trespassing in the American *Bezirk* in Vienna. At this point, the American host would offer all assistance to the Soviet target, still shaken from his near escape with the MGB (predecessor to the KGB). [redacted] commented on these plans that "although it may seem a bit fanciful and perhaps Hollwoodish . . . . it allows us to utilize the most important weakness inherent in the Soviet system–the fear of just such a situation which is always possible."[22] (S)

A New Case Officer (U)

In the meantime, Shebalin placed advertisements in Viennese newspapers looking for a female Russian language tutor and a maid while he spent his time getting to know the city and its inhabitants. He discovered that a large number of young Soviet women lived in Vienna, "many

[22] [redacted] to [redacted] "Approaches to Soviets," 13 August 1952, MIL/8294, (S), DO Records, [redacted], Box 12, Folder 3, CIA ARC. (S)

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of whom seem to be very bored and capable of being picked up."[23] Shebalin also interviewed an Austrian prostitute about the habits of her Soviet and American customers, and he visited the *Weises Kreuz*, one of Vienna's "*Stunden* hotels" where the woman conducted her business.[24] (S)

In late August 1952, [redacted] turned over control of Shebalin to a new case officer. [redacted], had just arrived in Vienna from an assignment in Germany. The two men immediately hit it off because [redacted] spoke both excellent Russian and German. [redacted] bid farewell to Shebalin and advised him to be patient because "the development of secure defection-type operations necessitated a great amount of planning and checking, recruiting, and training before actual results could be expected."[25] (S)

Like [redacted], [redacted] faced similar problems of how to get REDCAP off the ground in Vienna and to employ Shebalin effectively. [redacted] determined that it would be better to bring women from the American zones of Germany or Austria to Vienna to target Soviets in the city. The women, who would be taught basic Russian, would be brought to the city "legally or quasi-legally for briefing and carrying out their mission." [redacted] would provide the female agents with Prostitute Registration Cards using the names of actual Viennese prostitutes. As far as targeting Soviet officials in the Soviet zone of Vienna, [redacted] believed that it would be more secure to go after already-existent clandestine Soviet-Austrian liaisons because introducing outside female prostitutes would attract too much attention. Shebalin, as the go-between, would recruit the women at such gatherings as the Vienna *Messe*, or Trade Fair, or through newspaper

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[23] [redacted] to [redacted] "Meeting with GRALLSPICE on 11 August 1952," 21 August 1952, MIL/8347, (S), DO Records, [redacted] Box 12, Folder 3, CIA ARC. (S)

[24] [redacted] to [redacted] "Meeting on 14 August 1952," 21 August 1952, MIL/8438, (S), [redacted], Box 12, Folder 3, CIA ARC. (S)

[25] [redacted] to [redacted] "Meeting of 20 August 1952," 21 August 1952, MIL/8436, (S), DO Records, [redacted], Box 12, Folder 3, CIA ARC. (S)

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advertisements. In addition, Shebalin pressed [redacted] to bring over a young girl from Germany, who had been convicted of juvenile prostitution, as his first subagent.[26] (S)

Like [redacted], [redacted] faced limitations in using Shebalin. In his first monthly report, the American case officer noted that "we are still trying to keep GRALLSPICE busy while at the same time devoting a great deal of thought to giving him a chance to sink his teeth into a positive operational assignment." [redacted] warned that "we cannot expect to keep him satisfied for much longer just letting him hypothesize." Just months after bringing Shebalin to Austria, the Agency realized that "GRALLSPICE is at an obvious disadvantage with regards to developing any likely candidates himself; first, because he has arrived in Vienna with no contacts of his own and, secondly, because he is unable to pass himself off as an Austrian–his Russian accent is very noticeable." [redacted] admitted, "therefore we are forced to do the developing, recruiting, and, to a certain extent, spotting though GRALLSPICE can perform a valuable function in the latter respect."[27] (S)

Pyotr Semyonovich Popov (U)

During the month of September 1952, Shebalin managed to keep pretty active. He attended the Vienna *Messe,* where he purchased Soviet cigarettes and other items for the Agency. At the same time, Shebalin cased Viennese cafes, hotels, and restaurants suspected of being

[26] [redacted], to [redacted] "Meeting of 22 August 1952," 26 August 1952, MIL/8475, (S), DO Records, [redacted], Box 12, Folder 3, CIA ARC. (S)

[27] Chief of Station, Vienna to Chief, EE, "GRALLSPICE Progress Report for August 1952," 3 September 1952, EAVA-31, (S), DO Records, [redacted], Box 12, Folder 3, CIA ARC. This report contains two translated attachments provided by Shebalin on "Comments on the Use of Prostitutes" and "Summary of GRALLSPICE's Suggestions on How to Contact Females in the Soviet Zone." (S)

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Soviet hangouts, and he met several women who frequented them. Through these women, Shebalin made the passing acquaintance of a Soviet officer. He also began interviewing several women for the position of maid, which he had advertised earlier in the summer. The following month, Shebalin returned to Germany to visit his wife and to obtain new identity documents. While at home, Shebalin interviewed the young German woman as his first subagent.[28] (S)

In January 1953, Shebalin's life took a dramatic change. The CIA's Russian agent was present at the beginning of one of the Agency's most remarkable espionage cases. On 1 January 1953, a man approached Edward Harper, the American vice consul in Vienna, and asked for directions to the American Military Commission. Harper offered to drive the man to the office, but he refused and gave Harper a letter to deliver. Later that day, Harper opened the letter and found that it was written in Cyrillic. Realizing that the letter could be important, Harper went to the American Consulate and reported the incident to the duty officer.[29] (C)

Shortly afterward, [redacted], the chief of joint operations at CIA's Vienna Operations Base (VOB), read the translated letter:

> I am a Soviet officer. I wish to meet with an American officer with the object of offering certain services. Time: 1800 hours. Date: 1 January 1953. Place: *Plankengasse*, Vienna I. Failing this meeting, I will be at same place, same time, on succeeding Saturdays.[30] (C)

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[28]Chief of Station, Vienna to Chief, EE, "Progress Report for GRALLSPICE September 1952," 3 October 1952, EAVA-389, (S), DO Records, [redacted], Box 12, Folder 3, CIA ARC. (S)

[29][redacted] "Memorandum for the Record," 15 March 1955, (C), in DO Records, [redacted], Box 6, Folder 1, CIA ARC (hereafter cited as [redacted], MFR, 15 March 1955). The Popov case has been recounted by former CIA officers in William Hood, *Mole* (London: Weidenfeld and Nicolson, 1982) and John L. Hart, "Pyotr Semyonovich Popov: The Tribulations of Faith," *Intelligence and National Security*, Vol. 12, No. 4 (October 1997), pp. 44-74. Both Hood's book and Hart's article obfuscate Shebalin's identity–the first CIA person to meet Popov. The depiction of Shebalin as Alex Koenig in *Mole* is especially vague (see pages 29-30 and 47-51). (C)

[30][redacted] "MFR," 15 March 1955, (C).

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Such offers did not happen everyday, but, at the same time, there was no way for the Americans to know this was not a Soviet provocation. By the time that [redacted] read the translated note, it was too late to surveil the meeting place; consequently, VOB opted to meet the letter writer the following Saturday, 3 January 1953.[31] (C)

In order not to expose an American intelligence officer at this first meeting, [redacted] directed [redacted] to use GRALLSPICE as the go-between. By using Shebalin, [redacted] and [redacted] conformed to VOB's policy of buying time to identify walk-ins until a non-Vienna based CIA officer could conduct actual debriefings. [redacted] briefed Shebalin as to the general background of the meeting and directed him to establish the *bona fides* of the yet-unidentified letter writer and to ascertain the meaning of his term "certain services." Additionally, [redacted] wanted Shebalin to elicit the presumed Soviet's motivations and to obtain as much information about his background as possible.[32] (C)

On the night of 3 January, Shebalin met the mysterious individual at the corner of *Plankengasse* and *Spiegalgasse*. From there, the two men adjourned to a safehouse where [redacted] [redacted], and another CIA officer monitored their conversation. For the next three meetings, Shebalin remained the CIA's face to this Russian walk-in. After that point, George Kisevalter, a CIA staff officer and Russian speaker, took over the interrogations in Vienna. In time, it became clear that Major (later Lieutenant Colonel) Pyotr Semyonoich Popov, a GRU officer stationed in Vienna, would become one of the CIA's greatest espionage success stories. As a CIA agent

[31] Ibid. (C)
[32] Ibid. (C)

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from 1953 until his untimely death in 1960, Popov, a REDCAP recruitment, provided a wealth of information on Soviet military and intelligence organs and their worldwide operations.[33] (C)

Exit Vienna, Enter Salzburg (U)

Shebalin's presence in Vienna became increasingly dangerous as the Popov case developed. According to one Agency official in March 1953, "GRALLSPICE's participation in the Grattic project poses an existing and definitely negative security risk." Shebalin, of course, was intimately familiar with Popov because he had interviewed him at the first meetings. Shebalin knew the Soviet officer by sight as well as by true name, position, and activity in Vienna. The Agency feared that the Soviets might pay notice to Shebalin because of his own indiscretions (his case officer had already warned Shebalin when "he childishly and dangerously extended his cover" in Vienna). Shebalin's past record as a Nazi collaborator and Vlasov Army officer also marked him as a target for Soviet kidnapping. Consequently, VOB urged Shebalin's removal not only from Vienna, but also from the European continent.[34] (C)

In February 1953, VOB case officer [redacted] accompanied Shebalin to Salzburg where they met [redacted], a young CIA officer who had transferred to Salzburg from Vienna in

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[33]Transcripts of Popov's interrogations (including the first three meetings with Shebalin) and other information from this project are found in DO Records, [redacted], Boxes 1-21, CIA ARC. (S)

[34] [redacted] Chief, Soviet Section, VOB, to Chief of Mission, "SOV/I – Security Factors re [redacted] Operation," 16 March 1953, VIM/1985, (C), in DO Records, [redacted], Box 6, Folder 1, CIA ARC. Years after Popov's arrest and execution, the Agency prepared an assessment of the case and examined whether Popov's downfall could have been linked to Shebalin. [redacted] A copy is also on file in the Counterintelligence Center, Analysis Group. (S)

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December 1952. In their first meeting, [redacted] noted that Shebalin appeared "of better than average intelligence" and that he "displays a more than usual affinity for the opposite sex." Perhaps drawing upon word that he had heard from Vienna, [redacted] observed that "agent may also tend to be somewhat rash and indiscreet in what he says and does, in which case it may be necessary to restrain agent in Salzburg, where the size of the town would work against such conduct."[35] (S)

Once again, the new CIA case officer faced the dilemma of what to do with this Russian agent. Salzburg Base appeared to be at loss of how to employ Shebalin, and it expressed certain frustration because Vienna Base initially failed to provide any information from its files on its agent.[36] This meant that [redacted] had to ask Shebalin for basic biographical information that could easily have been obtained from his file.[37] In the meantime, Shebalin kept himself busy by checking out houses for rent in the Salzburg area, although [redacted] warned him not to enter into any rental agreements on his own. Shebalin also suggested that he might travel to Linz to check out the black-market activities in that city and also to see if prostitutes there could be employed against the Soviets. Suspecting that this trip might entail more than simply sightseeing, [redacted]

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[35] [redacted] to [redacted] Chief of Operations, SOB, "Contact with GRALLSPICE 1 on 19 February 1953 Contact Report #1," [no date, no file number], (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

[36] [redacted] to [redacted] "GRALLSPICE 1, 27 February 1953, (no classification provided), DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

[37] [redacted] to [redacted] "Contact with GRALLSPICE 1 on 2 March 1953: Contact Report #6," [no date, no file number], (S), in DO Records, [redacted] Box 13, Folder 3, CIA ARC. At this meeting, [redacted] discussed in detail the different names that Shebalin had used since 1945. (S)

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"mentioned in passing that it should be borne in mind that in any dealings with such girls the necessary precautions should be taken against contracting any disease."[38] (S)

Going to America (U)

Shebalin spent most of his time in Salzburg waiting to hear about his application to immigrate to the United States. As his case officer reported in the summer of 1953, "due to the sensitivity of GRALLSPICE 1, he has not been used in any operational capacity whatsoever since his arrival in Salzburg at the end of February 1953. GRALLSPICE's position in Salzburg has been that of a holding case, i.e., to keep him 'sweet' and comfortable until his emigration [sic] to the US."[39] (S)

As early as 1951, Shebalin had applied at the US Consulate in Munich for a visa, but this had been refused. After his departure from Vienna in early 1953, it became clear to the Agency that Shebalin had to be removed from Europe in order to safeguard both Shebalin and, more importantly, Popov, the Agency's new asset. The Agency felt that Shebalin could still be productively employed in the United States and later for possible use in the Far East where his prior history was not known.[40] (S)

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[38] [redacted] to [redacted] "Contact with GRALLSPICE 1 on 13 March Contact Report #9," [no date, no file number], (S), in DO Records, [redacted] Box 13, Folder 3, CIA ARC. The file is complete with floor plans and photographs of prospective houses that Shebalin reviewed in Salzburg. (S)

[39] Chief of Base, Salzburg to Chief, EE, "GRALLSPICE 1: Progress Report for 13 April–31 May 1953," 9 July 1952, [no file number], (S), in DO Records, [redacted] Box 13, Folder 3, CIA ARC. (S)

[40] [redacted] to Chief of Mission, "Sov/I – Security Factors re [redacted] Operation," 16 March 1953, VIM/1985, (C), in DO Records, [redacted], Box 6, Folder 1, CIA ARC. See also Vienna to Director, 31 March 1953, Vienna 9784, (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

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Case officer [redacted] devoted a large amount of time to preparing Sheblin's application for immigration, coordinating his immigration status with Munich Operations Base (MOB) and with CIA Headquarters, clearing his record with the Army's CIC, and trying to instruct the Russian agent in the English language and American history. At the same time, [redacted] worked on reuniting Shebalin with his wife and daughter in Salzburg while taking care of his problems. Shebalin's immigration encountered numerous hurdles that proved frustrating for [redacted] For example, the Army in Germany had a report from 1948 in which an informant stated that Shebalin had been a director in the Soviet fisheries division and a colonel in the Red Army as well as a NKVD officer. The local CIC records also noted that Shebalin was considered to be pro-Soviet by other Russian displaced persons in Bavaria. Through Army contacts, the Agency tried to track down the source of that allegation to determine its legitimacy.[41] (S)

Given the urgency to remove Shebalin from Austria, Salzburg pressed Headquarters for action.[42] As early as October 1952, Frank G. Wisner, CIA's Deputy Director for Plans, wrote the Secretary of State for information regarding Shebalin's ineligibility for immigration to the United States.[43] By May 1953, [redacted], chief of CIA's Soviet Russia (SR) Division, had also taken the matter up with the Agency's Inspection and Security Division. [redacted] wrote

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[41]Cable, Munich to Salzburg, 20 March 1953, Munich 2887, (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. For SOB's reaction to the news of the allegations against Shebalin in the Army's files, see Cable, Salzburg to Frankfurt and Munich, 12 March 1953, Salzburg 1083, (S), in Shebalin, [redacted] DO Records. This same cable is cited as Cable, Salzburg to Director, 13 March 1953, IN 45697, (S), in Shebalin, [redacted] DO Records. Shebalin answered the Agency's questions regarding this charge in a polygraph examination. See Chief of Base, Salzburg to Chief, EE, "LCFLUTTERING of GRALLSPICE 1," 30 September 1953, EASA-2174, (S), enclosing Chief of Base, Salzburg to Chief, EE, "LCFLUTTER Test of GRALLSPICE 1," 28 September 1953, EASA-2167, (S), in DO Records, [redacted] Box 13, Folder 3, CIA ARC. (S)

[42]Cable, Vienna to Director, 28 March 1953, IN 10543, (S), in Shebalin, [redacted], DO Records.

[43]Frank G. Wisner, Deputy Director, Plans, to Secretary of State, ATTN: Mr. Charles E. Luckett, "Sergey Lvovich Schebalin," 24 October 1952, (S), in Shebalin, [redacted] DO Records. (S)

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that "it has been determined that the entry and legalization of the subject in the United States under Section 8 of Public Law 110, is highly desirable, the normal time delay of several weeks even after the individual concerned receives his Covert Security clearance precludes its use at this time." Instead, [redacted] wanted the Agency to use "Special Procedures" to bring Shebalin and his family to the United States and that the "legalization of the subject's residence . . . will be completed after his arrival."[44] (S)

Despite the high level of interest in getting Shebalin to the United States, it was a laborious and time-consuming process. Meanwhile, Shebalin's presence in Salzburg created unrest and unforeseen problems. (S)

Shebalin's Indiscretions (U)

The Agency was well aware that Shebalin's presence in Salzburg threatened not only the Agency's operational security, but that the Russian agent could not be trusted to handle himself in a quiet and discreet manner. His case officers had long noted Shebalin's wandering eye and that his absence from his family in Germany did not necessarily make his heart grow fonder. In April 1953, Shebalin rented a room at the *Naturfreundehaus* on Monchberg in Salzburg; the Agency had cleared this residence for Shebalin to stay while in Austria. When [redacted] asked the Russian how he enjoyed his quarters, Shebalin replied that he found it "very enjoyable." He

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[44] [redacted], Chief, SR Division, to Chief, Inspection and Security Division, "Sergei Lvovich Shebalin," 19 May 1953, (S), in Shebalin, [redacted], DO Records. This memorandum superseded [redacted] 8 April 1953 memo ("Preferential Entry into the United States of Segei Lvovich Shebalin") to the same office. A copy of this memo is located in Shebalin, [redacted] DO Records. (S)

added, "there is even a girl there . . . . she is the owner's daughter. She is sixteen years old."[45] (S)

That comment, innocent as it may have appeared in April came back to haunt both Shebalin and his CIA handler. [redacted] knew from observation that his "agent's life is quite boring in Salzburg. He has nothing to do all day long except read, walk, study, sleep, eat, etc. A continuous diet of such activity," [redacted] cautioned, "over a long period of time is understandably difficult, especially for a person like GRALLSPICE 1 who is quite used to a more exciting and adventurous life." Knowing this to be the case, [redacted] stated "it is anticipated that more attention will be paid to agent's private life, his morale and female companionship, since these facets will be most directly affected by a prolonged period of inactivity."[46] (S)

The arrival of Shebalin's wife and daughter in Salzburg in June to join the Russian agent created new headaches for [redacted].[47] For one, Shebalin told [redacted] that he had resigned himself to lead "*ein anstandiges Familienleben.*" He also advised his case officer never to marry, but to always remain engaged.[48] Even more troubling, Shebalin admitted in early July that he "had been keeping company" with the young granddaughter of his former landlady at the *Naturfreundehaus* where he had previously resided. According to Shebalin, the girl, whom he admitted sleeping with, had tried to run away from home on several occasions. Shebalin even tried to help her to escape from her grandmother and illegally crossed over the German border to

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[45] [redacted] to [redacted] "Contact with GRALLSPICE 1 23 April 1953 Contact Report #18," [no date, no file number], (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)
[46] Chief of Base, Salzburg to Chief, EE, "GRALLSPICE 1: Progress Report for 13 April - 31 May 1953," 7 July 1952, [no file number], (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)
[47] [redacted] Memorandum for the Record, "Transfer of GRALLSPICE 1's Wife to Salzburg," 11 June 1953, [no file number], (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)
[48] [redacted] to [redacted] "GRALLSPICE 1: Contact Report #28 - Meeting on 12 June 1953," 12 June 1953, [no file number], (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

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look at a home for wayward girls in Bad Reichenhall. Shebalin's current landlady had seen him with his young girl, and reported it to his newly arrived wife.[49] (S)

Case officer [redacted] expressed his "great disappointment" at Shebalin's behavior. He said that the incidents had to be reported to Washington and that it could affect his efforts to move to the United States. [redacted] also told Shebalin that "it was definitely bad taste to carouse with 16 year old girls" and that he was forbidden to associate with her. Henceforth, Shebalin, his case officer ordered, would "lead more than ever a life of complete boredom and inactivity." In addition to reading, writing, studying English, and taking care of his family, Shebalin would record his daily events in a diary, which he would give to [redacted] every week. While [redacted] expressed his displeasure about this latest breach of security, he also noted that Shebalin was having a difficult time settling down after having "more or less been in a struggle for survival for about the last ten years."[50] (S)

Several months after Shebalin admitted the facts of his relationship with the teenage girl, he told CIA officials in September 1953 that the grandmother planned to report him to the Austrian police. He feared that the police would be told that he was a black marketeer and that he had contributed to the delinquency of a minor unless he paid her money to keep quiet. This raised several issues of what to do about the blackmail case as well as how to keep Shebalin from the notice of the police and to preserve his cover. While not certain as to the seriousness of the

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[49] [redacted] to [redacted] "Contact with GRALLSPICE 1, 7 July 1952[3] Contact Report #32," [no date, no file number], (S), DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)
[50] Ibid. (S)

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threat posed by the grandmother, the Base recommended to Headquarters that Shebalin leave Salzburg "as soon as possible."[51] (S)

Hanging Around (U)

Even before [redacted] learned about the blackmail attempt, he reported that his "agent's morale took a tumble as a result . . . . however, it rose again slowly until it seemed to be back almost to normal."[52] In mid-August, [redacted] took up the issue of what to do with Shebalin while waiting for his immigration case to proceed. He proposed to [redacted], Salzburg Base's chief of joint operations, that Shebalin be assigned the task of spotting "girls who would go to the Russian zone to try to pick up with Sovs for the purpose of defection. These girls cannot be regular prostitutes, but should be smart, up-righteous girls with a hig[h] degree of motivation." "But," he added, "still they should have no objection to becoming a Mata-Hari."[53] (S)

[redacted] also thought that Shebalin could meet Austrian businessmen to check who in Salzburg had business ties to the Soviet zone. Finally, [redacted] asked his superior, "have you ever had a bottle of beer at the *Eulenspiegel* restaurant? If so, have you noticed that it is Czech beer imported into Austria. I would like to send GRALLSPICE," [redacted] commented, "out to see how

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[51] Vienna to Director, 22 September 1953, Salzburg 1725, (S) and Chief of Base, Salzburg to Chief, EE, "Blackmail Attempts on GRALLSPICE 1," 24 September 1953, EASA-2166, (S), both documents in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

[52] Chief of Base, Salzburg to Chief, EE, "GRALLSPICE 1: Progress Report for July 1953," 13 August 1953, EASA-1885, (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. Case officer [redacted] continued to provide updates on the blackmail effort until Shebalin departed Salzburg. (S)

[53] [redacted] to [redacted] "GRALLSPICE 1's Operational Activity," 12 August 1953, [no file number, no classification], (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

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that beer is brought in. Probably by train, but somebody has to order the stuff and do correspondence. It might prove to be a Czech lead."[54] (S)

It did not take Shebalin long to identify one woman as a potential candidate. At a meeting on 24 August, Shebalin provided his case officer with the name of a divorcee, aged approximately 30 years, who was "not a common prostitute, but still of 'light conduct.'" He also learned where the *Eulenspiegal* restaurant obtained its Czech beer, and he visited the beer distributor to purchase a few bottles.[55] In addition to these tasks, [redacted] also approached Shebalin with the idea of writing several letters in Russian that could be used to entice Soviet officers to defect.[56] (S)

***Aktbilder* (U)**

During a meeting at the Base's safehouse on 2 November 1953, [redacted] asked Shebalin "if he knew where one could procure pictures of naked women in Salzburg." Seeking the photographs for another project, [redacted] thought that Shebalin would be a good conduit for

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[54]Ibid. [redacted] made these operational requests of Shebalin on 14 August 1953. [redacted] explicitly directed the Russian to "spot the girls and obtain the necessary background information on them. He was to make no attempt at recruitment." See [redacted] to [redacted] "GRALLSPICE 1: Contact Report #39," 20 August 1953, [no file number], (S). [redacted] provided further guidance and cautioned him against approaching girls under the age of 20. See [redacted] to [redacted] "GRALLSPICE 1: Contact Report #41," [no date, no file number], (S), both documents in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

[55][redacted] to [redacted] "GRALLSPICE 1: Contact Report #40 Meeting of 24 August 1953," 31 August 1953, SIM/12, (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

[56][redacted] to Chief of Operations, "CR #45-[redacted] Meeting with GRALLSPICE 1 on 30 September 1953," 7 October 1953, SIM/102, (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. The defection letters prepared by Shebalin are discussed in later contact reports; a final copy is found in Chief of Base, Salzburg to Chief, EE, "Forwarding of GRALLSPICE 1 Defection Letter," 30 December 1953, EASA-2719, (S), DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

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pornographic material. Shebalin responded that he believed that he could find these photos through photo shops or houses of prostitution, but that "such pictures are usually passed from friend to friend since the local populace fears that a stranger asking for such pictures may be an agent of the local CID," the US Army's Criminal Investigations Division.[57] (S)

At their next meeting on 12 November, Shebalin reported that he had been able to obtain some promising leads in obtaining the *Aktbilder*, the German term for pornography. Putting an advertisement in a local Salzburg newspaper, Shebalin received 12 responses offering various forms of *Aktbilder* of which Shebalin felt that three were credible (some of the offers dealt with artwork as opposed to photographs). [redacted] informed his agent not to contact the dealers directly and to simply obtain whatever photographs were available. [redacted] commented to his superiors that his "agent's energetic way in which he went about procuring the pornographic photographs would evidence his desire and his ability for larger operational tasks than he has had to do in Salzburg. Case officer," [redacted] wrote, "gets the feeling that agent realizes only too well that he has been in Salzburg for 9 months with hardly any activity and that when he is given such a small task as procuring pornographic pictures he takes it to heart and gives it his all to do the job." [redacted] felt that "agent's secure method of handling the procurement of these pictures also bears out his ability for clandestine work."[58] (S)

[redacted] superiors at the Base balked at Shebalin's latest activities. Writing in the margins of [redacted] contact report, one Salzburg official commented, "the moralists at headquarters may

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[57] [redacted] to COPS, "[redacted] Meeting with GRALLSPICE 1 on 2 November 1953–CR#50," 3 November 1953, SIM/190, (S), in DO Records, [redacted] Box 13, Folder 3, CIA ARC. (S)

[58] [redacted] to COPS, "[redacted] Meeting with GRALLSPICE 1 on 12 November 1953–CR#51," 16 November 1953, SIM/206, (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. Shebalin provided [redacted] with a log detailing his efforts to obtain the photographs in addition to the responses to his newspaper advertisement. (S)

have slight shock when they see G-1 involved in pornograph–maybe we should have used the word art pictures. Unrealistic as it is there are responsible people at Hq who definitely frown on the use of such 'nasty' methods in our ops." The official quickly added, "I am not advising that we drop this sort of thing–on the contrary–but when reporting it veiled and otherwise Victorian terms should probably be used. (Also we have to protect our 1890 niceties.)"[59] (S)

The Koessler Case (U)

Shebalin's procurement of the *Aktbilder* was his final operational activity in Salzburg before he and his family departed Austria. For the remaining months of 1953 and into early 1954, Shebalin continued his English lessons with his case officer while also studying American history and government in preparation for his move to the United States. In the meantime, ⊏ ⊐ organized Shebalin's finances and converted the Russian's Austrian funds into American dollars. The Agency offered Shebalin a six month contract at the rate of $3,700 and per diem while in a travel status. Shebalin would also earn ten days of annual leave, but no other benefits beyond employment assistance at the termination of the contract.[60] (S)

For the most part, Shebalin's time in Salzburg proved uneventful and frustrating. His immigration paperwork moved slowly, and Shebalin even lamented that all of his Russian DP friends in Germany had already moved to the United States while he and his family still waited.

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[59]⊏ ⊐ to COPS, "⊏ ⊐ Meeting with GRALLSPICE 1 on 16 November 1953 CR#52," 16 November 1953, SIM/209, (S), in DO Records, ⊏ ⊐ Box 13, Folder 3, CIA ARC. (S)

[60]Director to Salzburg, 23 November 1953, Director 28077, (S), in DO Records, ⊏ ⊐ Box 13, Folder 3, CIA ARC. See also Chief of Base, Salzburg to Chief of Base, Vienna, "GRALLSPICE 1 Finances," 1 December 1953, SOB/2399, (S), in the same folder. (S)

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[redacted] could do little but advise his agent to be patient and to give him make-work projects.[61] At the same time, Salzburg pressed Headquarters for action on Shebalin's part to avoid his complete loss of confidence in the Agency and possible 'return to DP circles Germany on own.'[62] (S)

At Christmas time, Shebalin returned to Germany with his wife and daughter to visit his mother-in-law in Memmingen. During the holidays, his daughter fell ill, and she remained in Germany to recover. Shebalin, in the meantime, returned to Salzburg where [redacted] asked him to list all of his contacts in the Austrian city. In mid-January 1954, Shebalin provided the names and basic biographical information on several individuals with whom he had contact in Salzburg.[63] This simple inquiry resulted in yet another counterintelligence concern. (S)

Among the four names that Shebalin provided to [redacted] the Russian reported that he was well acquainted with Gertrude Koessler, a young Austrian woman employed by the Salzburg *Finanzamt*. Seeing this, [redacted] superior penned, "Exactly what is the relationship? Is G-1 laying her? On basis of his past propensities I would think it likely."[64] The young woman visited Shebalin on several occasions, claiming to be a student and a writer for a student newspaper, and she even asked Shebalin if he spoke Russian. Coupled with other suspicious activities, [redacted] grew concerned about the girl's real motives.[65] This marked the beginning of a

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[61] [redacted] to COPS, "[redacted] Meeting with GRALLSPICE 1 on 30 December 1953–CR# 57," 5 January 1953, SIM/331, (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)
[62] Cable, Salzburg to Director, 30 December 1953, Salzburg 2107, (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)
[63] [redacted] to COPS, "[redacted] Meeting with GRALLSPICE 1 on 14 January 1954–CR #59," 20 January 1954, SIM/375, (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)
[64] Ibid. (S)
[65] Cable, Salzburg to Director, 25 January 1954, Salzburg 2198, (S), in DO Records, [redacted], Box 13, Folder 3, CIA ARC. (S)

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rather lengthy attempt by the Agency to interrogate the young woman; Salzburg Base's efforts remained unsuccessful as late as August 1954.[66] (S)

A New World (U)

With days of learning about Gertrude Koessler, Salzburg Base finally received word from Headquarters approving the immigration of Shebalin and his family to the United States under Section 8 of Public Law 110.[67] Case officer [redacted] accompanied Shebalin, his wife, and daughter as they flew from Salzburg to Frankfurt where they transferred on a military flight to Washington, DC. Arriving at National Airport on 5 February 1954, [redacted] turned Shebalin and his family over to representatives of CIA's Domestic Operations Base.[68] Shebalin served on contract with the Agency in Washington until the fall of 1954, although the Agency quickly concluded that it could not use the Russian in an operational context in the United States or overseas. (S)

After that point, Shebalin moved with his family to Philadelphia. He worked in a local manufacturing company while studying at a local college. An Agency official visited Shebalin in January 1959 and found him "making a successful and satisfactory adjustment to the

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[66]Chief of Base, Salzburg to Chief, EE, "Gertrude Koessler, Suspected IS Agent," 23 August 1954, EASA-3659, (S), with attachments, in Shebalin, [redacted], DO Records. (S)

[67] [redacted], Chief, SR Division, to the DCI, "Entry of Sergei Lvovich Shebalin into the United States under the Provisions of Section 8, Public Law 110, Eighty-First Congress," 4 January 1954, (S), in Shebalin, [redacted], DO Records. See also Cable, Director to Salzburg, 27 January 1954, Director 35896, (S), in Shebalin, [redacted], DO Records. (S)

[68][redacted] to COPS, "GRALLSPICE 1 Final Report Concerning the Events for the period 25 January to 7 February 1954," 25 February 1954, SIM/449, (S), in Shebalin, [redacted] DO Records. (S)

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American way of life."[69] Agency files indicate that it had no further contact with Shebalin after 1960; ironically, CIA learned from a defector in 1972 that the Soviets had listed Shebalin as an American agent in a classified KGB publication. The Soviet publication noted that Shebalin had worked with US intelligence in Vienna in 1953 and that he lived in the United States in 1960.[70] (S)

Postscript (U)

During the early 1950s, CIA's REDCAP project appeared to be a good means of targeting Soviets outside the Soviet Union for in-place agent recruitment and eventual defection. In reality, approaching Soviets in foreign posts posed immense difficulties; hence, the Agency tended to use its own agents to make these initial contacts. Sergei Lvovich Shebalin presented himself as an excellent REDCAP agent. The Agency, however, could not effectively employ Shebalin because he was simply out of his element in both Vienna and Salzburg. Using sex as part of espionage tradecraft requires discipline, training, preparation, and control. It cannot be turned on and off using ad hoc agents and prostitutes. If it is not strictly managed, a project tends to get sidetracked by its own peccadilloes. Shebalin is a fine case in point as he enjoyed sampling the wares and ended up putting himself and the Agency in jeopardy. In the end, the Agency invested heavily in Shebalin with little direct results. But he proved useful in one unexpected case when he handled the first Vienna meetings with Major Popov in early 1953.

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[69]Chief, Contact Division, OO to Chief, SR Division, "OO/C Case 16667–Status Report on Sergei Schebalin," 16 January 1959, [no file number], (S), in Shebalin, [redacted], DO Records. (S)

[70]Counterintelligence Information Report, [redacted]," 3 October 1972, SBSR-651, (S), in Shebalin, [redacted], DO Records. (S)

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Consistently rated as one of the Agency's best assets, Popov's loss years later raised questions whether he was tainted from the onset because he had been exposed to Shebalin, a contract agent. (S)

By the mid-1950s, the Agency concluded that sexspionage could not be consistently or successfully employed even in an occupied country like Austria. At the end of the Allied occupation of that country in 1955, CIA reviewed many of the US Army's counterintelligence operations. Like CIA, the US Army had a defection program whose "target personalities were centered mainly in Baden and Wiener Neustadt [in the Soviet zone]. Spotters and contact personnel were usually of a low-level type such as prostitutes, barmaids, and blackmarketeers." The Army's defection operations," the CIA noted, "never really seemed to have gotten off the ground. Apart from the difficulty of the assignment, a study of [project] files suggests two reasons for the failures of these operations: The [project] case officers, as well as the agents, appear poorly trained; so much time was spent on laborious investigations and compilation of data on Austrians in the target areas that little time was left to do an equally systematic job on the Soviets in the area."[71] (S)

The Agency summarized that the Army's "operations seemed never to get out of the investigative stage and into the operational stage."[72] The same epitaph could be written for the Agency's use of Shebalin and its own stillborn efforts in Vienna and Salzburg. (S)

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[71]Chief of Station, Austria to Chief, EE, '[ ] Operational Review," 28 July 1955, EAVA-11331, (S), in DO Records, [ ], Box 1, Folder 1, CIA ARC. (S)
[72]Ibid. (S)

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NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

Chapter Fourteen

You Cannot Expect To Be Thanked (U)

In the years after the war, the Central Intelligence Agency occasionally responded to inquiries about Nazis who had escaped justice. Adolf Eichmann, the "Architect of the Final Solution," attracted international attention when he was abducted by the Israelis in Argentina and taken to Israel to stand trial in 1960.[1] Even before that point, Eichmann was the subject of ongoing interest in the Central Intelligence Agency. Drawing on information provided by Wilhelm Hoettl and another SS officer, Henry Hecksher noted in June 1946, "there are strong indications that he [Eichmann] is alive and practically none that he has committed suicide. His capture should be high up on the agenda of Allied law enforcement agencies." Hecksher informed Washington, "it was Eichmann who fed a never ending stream of Jews into the extermination mills at Auschwitz, Mauthausen, etc. He was chief adviser to SS *Obergruppenfuhrer* Mueller, Amtschef IV RSHA, and to Kaltenbrunner on Jewish affairs. His so-called *Sonderkommandos*, committed whenever Germany decided to 'solve' the Jewish problem in one of the satellite countries (Hungary,

[1]For literature on Eichmann, see Michael Bar-Zohar, *The Avengers*. Trans. by Len Ortzen (London: Arthur Baker, 1968); Towiah Friedman, *The Hunter* (Garden City: Doubleday, 1961); Isser Harel, *The House on Garibaldi Street: The First Full Account of the Capture of Adolf Eichmann* (New York: Viking Press, 1975); Peter Z. Malkin, *Eichmann in My Hands* (New York: Warner Books, 1990); Moshe Pearlman, *The Capture and Trial of Adolf Eichmann* (New York: Simon and Schuster, 1963); Quentin J. Reynolds, *Minister of Death: The Adolf Eichman Story* (London: Cassell, 1961); Simon Wiesenthal, *Ich Jagte Eichmann: Tatsachenbericht* (Guntersloh: S. Mohn, 1961); and Charles Wighton, *Eichmann: His Career and Crimes* (London: Odhams Press, 1961). (U)

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Denmark) had the function of setting up the machinery for corralling Jews and shipping them to the various extermination camps of Europe."[2] (S)

The Counter Intelligence Corps did, in fact, try to track down rumors of Eichmann's whereabouts in Austria and Germany in 1946. According to one CIC source, Eichmann was believed to be living in Upper Bavaria, while his wife lived in Austria as did his parents-in-law.[3] CIC subsequently went and interviewed Vera Liebel, Eichmann's former wife in Alt Aussee in November 1946. Liebel told the Army's investigator that she had not seen Eichmann since sometime in April 1945 when he visited her and their three children. According to Liebel, Eichmann planned to return to Prague after his short visit to Austria. She later learned from Eichmann's sister in November 1945 that he had been shot in the Czech city. A confidential source told the Americans that Eichmann had remained in Austria as late as November 1945, but that the Czechs may have killed him in Prague at that time. The same source stated that Eichmann, who spoke "fluent Yiddish," may have also hidden in Jewish refugee camps until he made his way to Palestine to join up with the Grand Mufti, a known Nazi sympathizer and anti-Semite. At the time of the CIC report in late 1946, the source

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[2]AB-51 [Henry D. Hecksher], "SS Obersturmbannfuehrer Adolf Eichmann–Chief of Group IB B 4 of the Reichssicherheitshauptamt, the So-Called Judenreferat," 17 June 1946, (S), in Adolf Eichmann, [redacted], DO Records. (S)

[3]This lead, provided by Frau Baldur von Schirach to CIC Special Agent M. Gale Hoffman with the 430th CIC Detachment in Austria, came from Sender Jaari, an interrogator at the International Military Tribunal and a former OSS member. See M. Gale Hoffman, 430th CIC Detachment, Land Salzburg Section, "Eichmann, Adolf SS-Obersturmbannfuehrer," 21 October 1946, (C), and Julius Stein, Nurnberg Field Office, Region VI (Bamberg), CIC, USFET, to Office in Charge, "Eichmann, Adolf," (C), both in Eichmann, [redacted], DO Records. (C)

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alleged that Eichmann had escaped to Egypt. Thus, in a little over a year after the end of the war, the Eichmann myth had been already born.[4] (C)

Not Within the Competence of This Agency (U)

Eichmann's location and activities continued to raise questions. In 1953, the Central Intelligence Agency, for the first time, received a public request for information about a Nazi war criminal. Rabbi Abraham Kalmanowitz, president and dean of the Mirrer Yeshiva Central Institute in New York, appealed to Pres. Dwight D. Eisenhower in July to take action against Adolf Eichmann, whom he believed to be hiding in the Middle East. Kalmanowitz wanted the United States to demand Eichmann's extradition. According to newspaper accounts, Eichmann was seen on a train in Syria in the company of the Grand Mufti. "May I therefore appeal to you, Mr. President, in the name of democracy and human decency to use your power of office to apprehend this mass murderer so that he may be stopped from further acts of tyranny and slaughter and cease the menace to the freedom of loving peoples everywhere," Rabbi Kalmanowitz wrote Eisenhower on 20 July 1953.[5] (U)

Kalmanowitz's request made its way to the State Department where Parker T. Hart, director of Near Eastern Affairs, responded on 24 August 1953. "The United States has, of course, no power to arrest an individual in another country. In any event," Hart

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[4] 430th CIC Detachment, Upper Austria Section, Memorandum for the Officer in Charge, "Liebel, Vera Ex-Wife of Eichmann, Otto Adolf Alleged War Criminal," 10 December 1946, (C), in Eichmann, [redacted] DO Records. (C)

[5] Rabbi Abraham Kalmanowitz, President and Dean, Mirrer Yeshiva Central Institute, to President Dwight D. Eisenhower, 20 July 1953, in DCI Records, [redacted], Box 5, Folder 55, CIA ARC. (U)

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noted, "it is by no means clear what country Eichmann is now in or what he may be doing. Under these circumstances it is not possible for this Government to make any representations to any other government concerning his activities, or to take any other action in the matter."[6] (U)

Rabbi Kalmanowitz then appealed to Adolf A. Berle, Jr., a member of Roosevelt's "Brain Trust" and former Undersecretary of State, for help. Berle, in turn, wrote a personal note to DCI Dulles (both men had served as delegates to the Paris Peace Conference in 1919). "The State Department obviously can do little by the diplomatic route," Berle told Dulles. "But it occurs to me," Berle wrote on 28 September 1953, "you may have ways at least of assuring that the man [Eichmann] is not making more trouble, possibly in time of finding him in some place where he can be dealt with. My object in writing this letter," Berle commented, "is to ask whether perhaps you can take appropriate steps to see that he can be located and eventually either immobilized or brought to trial. You will know better than I what is possible in the matter," he added.[7] (U)

Kalmanowitz quickly followed up with his own letter to Dulles on 30 September 1953. Kalmanowitz emphasized his own interest in seeing Eichmann brought to justice. "I personally negotiated with this man in an attempt to save through bribery at least 200,000 Jews, the last remnant of our people, after he had already destroyed millions of men, women, and children. When our negotiations fell through, he had the 200,000 liquidated in the gas chambers of Nazi Germany. My secret war-time representative," the rabbi recalled, "lost his wife and children at the hands of this mass murderer." Frustrated by the US Government's tepid response, Kalmanowitz commented, "I can only surmise

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[6]Parker T. Hart, Director, Office of Near Eastern Affairs, to Rabbi Kalmanowitz, 24 August 1953, in DCI Records, [redacted], Box 5, Folder 55, CIA ARC. (U)

[7]Adolf A. Berle, Jr., to Allen W. Dulles, 28 September 1953, in DCI Records, [redacted] Box 5, Folder 55, CIA ARC. (U)

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from the State Department's answer that the danger of this situation has not been fully evaluated. The continued freedom of this arch criminal Eichmann poses a constant threat to freedom loving people everywhere."[8] (U)

Not content with simply writing a letter to the Director of Central Intelligence (he had not received a reply from Dulles), Rabbi Kalmanowitz came to Washington to meet with officials of the CIA. On 20 October 1953, Sen. H. Alexander Smith of New Jersey contacted the DCI's office to ask to set up an appointment between Kalmanowitz and Dulles. Walter L. Pforzheimer, the Agency's Legislative Counsel, met with Rabbi Kalmanowitz and an old friend, Nelson B. Lasson. After listening to Kalmanowitz urge the Federal government to take action against Eichmann, Pforzheimer later wrote, "we explained to him that as an intelligence organization there was little that we could do other than make note of the information regarding Eichmann's presence in the Middle East, but that CIA was not in a position to apprehend him for trial or make representations to foreign governments." Pforzheimer recommended that the rabbi appeal to the new West German Government through the State Department to take steps to bring Eichmann to justice.[9] (U)

On 6 November 1953, Dulles responded to Rabbi Kalmanowitz's letter and acknowledged the meeting several weeks earlier. "We appreciate the information you passed us about Eichmann's whereabouts," the DCI wrote, "but I believe they advised

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[8]Kalmanowitz to Dulles, 30 September 1953, in DCI Records, [redacted] Box 5, Folder 55, CIA ARC. (U)

[9]Walter L. Pforzheimer, Legislative Counsel, Memorandum for the Record, "Visit of Rabbi Kalmanowitz," 21 October 1953, in DCI Records, [redacted], Box 5, Folder 55, CIA ARC. For further information about Kalmanowitz's meeting at the CIA, see [redacted] to Acting Chief, NEA, "Appeal to DCI by Mr. Adolph Berle and Rabbi Kalmanowitz for CIA Action to 'Deal' with Nazi War Criminal Karl Eichmann," 20 October 1953, (S), in Eichmann, [redacted], DO Records. (S)

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you that action in this matter is not within the competence of this Agency."[10] Throughout the first months of 1954, Rabbi Kalmanowitz tried to attract the interest of US policymakers to Eichmann's presence in the Middle East and the cooperation between the Arabs and former Nazis against the state of Israel. In early May, Kalmanowitz wrote Henry A. Byroade to broadcast his warnings about the threats posed by the Arabs. Not receiving a reply, the rabbi once again wrote to the State Department. "These facts," Kalmanowitz told Byroade on 25 June 1954, "prove without a shadow of a doubt that Eichmann and his friends are behind the Arabian acts of aggression and should suffice for the American Government to stop the shipment of arms to the Arabian countries until they abandon their warlike intentions and agree to act and live at peace with Israel and the rest of the nations of the world."[11] (U)

Rumors of Eichmann (U)

While the Agency's replies to Kalmanowitz appeared curt and less than helpful, the rabbi's letters prompted DCI Dulles to initiate his own search for Eichmann. On 20

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[10]Dulles to Kalmanowitz, 6 November 1953, DCI Records, [redacted], Box 5, Folder 187, CIA ARC. The DCI also notified a US senator about his meeting with Rabbi Kalmanowitz. See Dulles to Sen. Irving M. Ives, 6 November 1953, in DCI Records, [redacted], Box 5, Folder 55, CIA ARC. (U)

[11]Kalmanowitz to Henry A. Byroade, Assistant Secretary of State, 25 June 1954, in DCI Records, [redacted], Box 5, Folder 55, CIA ARC. Kalmanowitz also wrote DCI Dulles to tell him about his efforts to get the State Department interested in Eichmann. R.W. Fuller, assistant to the DCI, informed Kalmanowitz that the "question of Adolf Eichmann is a matter that is not within the jurisdiction of the Central Intelligence Agency." As far as being able to help Kalmanowitz with contacting the State Department, Fuller wrote, "I am sure that you will agree that it is impossible for this Agency to influence internal administrative matters of other Departments of the Government." See Kalmanowitz to Dulles, 29 June 1954, ER 5-7281, and R.W. Fuller III, Assistant to the Director, to Kalmanowitz, 1 July 1954, both in DCI Records, [redacted], Box 5, Folder 55, CIA ARC. The rabbi continued to appeal to Allen Dulles for assistance in the Eichmann matter as late as 1959. (U)

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October 1953, the same day that Kalmanowitz visited the CIA, the DCI sent a cable to [redacted] to "request immediate inquiries [to] determine possible presence [in] your area [of] Karl [sic] Eichmann, Nazi war criminal held responsible [for the] liquidation [of] Jews." Headquarters noted that an Israeli press account claimed that Eichmann was in Syria with the Grand Mufti in July.[12] (S)

The responses from the Middle Eastern stations were all negative, although [redacted] reported some information about Eichmann that was current as of 1951.[13] According to the wife of a former SS officer in Egypt, a Karl Heinz Eichmann was a prisoner at a US camp in Rimini, Italy, with Herbert Kappler, the SS commander in Rome during the war. After learning of Kappler's conviction by an Italian court, Eichmann and a German naval officer escaped from the POW camp and made their way from Italy to Austria and then back to Italy. Obtaining a pass from the Syrian legation in Rome, Eichmann arrived in that country sometime in 1947 or 1948. Eichmann served as the "political adviser to the Syrian Government," but moved to Egypt in 1951. Unable to receive aid in that country, he then departed that same year, although the source did not know his destination.[14] (S)

Not only were the references to Eichmann vague and outdated, his name was often listed differently. Armed with fresh information, Kermit Roosevelt, the chief of the Near East and Africa Division asked [redacted] in early 1954 to recheck its sources for information on Eichmann, "even though it is manifestly spurious in several details."

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[12]Cable, Director to [redacted] 20 October 1953, Director 23859, OUT 95605, (S), in Eichmann, [redacted], DO Records. (S)

[13]See Cable, [redacted] to Director, 25 October 1953, [redacted] 331, IN 29090, (S); Cable, [redacted] to Director, 27 October 1953, [redacted] 008, IN 29469, (S); Cable, [redacted] to Director, 27 October 1953, [redacted] 224, IN 29568, (C); and Cable, [redacted] to Director, 27 October 1953, [redacted] 420, IN 29523, (S), all in Eichmann, [redacted], DO Records. (S)

[14]Chief of Station, [redacted] to Chief, NEA, "Traces on Karl Heinz Eichmann," 23 November 1953, NECA-1131, (S), in Eichmann, [redacted] DO Records. (S)

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Roosevelt reiterated, "while we are interested in the whereabouts and activities of Eichmann, it is not within [CIA's] jurisdiction to take any action in connection with his status as a war criminal."[15] (S)

A Magnificent Job (U)

After this burst of activity, the CIA's interest in Eichmann diminished until the news of his abduction by the Israelis in May 1960.[16] In perhaps the most famous trial of a Nazi war criminal after the International Military Tribunal in Nuremberg, an Israeli court convicted Eichmann of crimes against humanity and sentenced him to death in 1962. World leaders expressed shock that leading Nazis had somehow escaped the postwar trials. In Washington, the Agency was taken by surprise by the Israeli action and sent a cable to Berlin requesting an immediate check on Eichmann's records at the Berlin Documents Center and for any information available on the German fugitive at the International Tracing Service.[17] (S)

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[15]Chief, NEA to Chief of Station, [redacted] "Karl Eichmann," 6 January 1954, NQBW-400, (S), in Eichmann, [redacted], DO Records. [redacted] replied that its source was unable to find any information that a person named Eichmann had entered Iraq. See Acting Chief of Station, [redacted] to Chief, NEA, "Karl Eichmann, 6 April 1954, NQBA-757, (S), in Eichmann, [redacted], DO Records. (S)

[16]Lawrence Fellows, "Israel Seizes Nazi Chief of Extermination of Jews," *New York Times*, 24 May 1960, pp. 1 and 10; and Fellows, "Israeli Security Agents Seized Nazi Killer in Another Nation," *New York Times*, 25 May 1960, pp. 1 and 21. (U)

[17]Cable, Director to Berlin, 25 May 1960, Director 31514, OUT 79362, (S), in Eichmann, [redacted] DO Records. The BDC traced Eichmann on 26 May 1960 and provided Headquarters with photocopies in Chief of Base, Berlin, to Chief, EE, "BDC Check Results–Adolf Eichmann," 10 June 1960, EGBA-64092, (S), in Eichmann, [redacted], DO Records. Headquarters subsequently asked the BDC if Eichmann's SS file had any fingerprints after it had received a set from Argentina. See Cable, Director to Berlin, 2 June 1960, Director 32621, OUT 81786, (S), negative response in Cable, Berlin to Director, 3 June 1960, Berlin 9595, IN 47651, (S) and Deputy Director, Plans to Director, FBI, "Ricardo Klement, Request for

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At the same time, [redacted], the deputy chief of the CI Staff's Special Projects Group, met with [redacted], a liaison officer at the Israeli Embassy in Washington on 26 May 1960. While the meeting had been set up to discuss the transfer of technical equipment, [redacted] actually wanted to learn more about Eichmann's arrest and how he was taken to Israel. Richard Helms, the Chief of Operations and Deputy to the Deputy Director for Plans, wanted to inform DCI Dulles about the Israeli action. [redacted] also passed to Idan the Agency's verbal congratulations "on the final accomplishment of what appeared to be a magnificent job." Additionally, [redacted] extended an offer to the Israelis to search for information about Eichmann in captured Nazi documents still in American hands. [redacted], however, was not able to provide [redacted] with any details of the Eichmann operation because he himself was uninformed about the circumstances surrounding the case.[18] (S)

At the same time, [redacted], CIA's chief [redacted], began sending copies of Israeli press reporting about Eichmann's arrest.[19] Headquarters pressed

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Fingerprint Analysis of," 29 June 1960, CSCI-3/760,267, (S), all in Eichmann, [redacted] DO Records. For information about tracking Eichmann in ITS records, see James S. Beddie, Director, Berlin Documents Center to Dr. Nicolas Burckhardt, Director International Tracing Service, 20 June 1960; Burckhardt to Beddie, 23 June 1960; Beddie to Burckhardt, 12 July 1960; and Burckhardt to Beddie, 18 July 1960; and Chief of Base, Berlin to Chief, EE, "Adolf Eichmann," 27 July 1960, EGBA-64711, (S), all in Eichmann, [redacted], DO Records.

[18] [redacted], Memorandum for the Record, "Meeting with [redacted]," 26 May 1960, (S), in Eichmann, [redacted], DO Records. (S)

[19] For example, see [redacted] to James J. Angleton, "Capture of Adolf Eichman," 27 May 1960, NFVA-1395, (S); [redacted] to Angleton, "Capture of Adolf Eichmann," 6 June 1960, NFVA-1411, (S); [redacted] to Angleton, "Adolf Eichmann Case/Organization of Israeli Security and Intelligence Services," 9 June 1960, NFVA-1430, (S); [redacted] to Angleton, "Adolf Eichman Case," 9 June 1960, NFVA-1433, (S); [redacted] to Angleton, "Tuvia Friedman," 9 June 1960, NFVA-1439, (S); [redacted] to Angleton, "Tuvia Friedman," 13 June 1960, NFVA-1445, (S); [redacted] to Angleton, "Adolf Eichmann Case," 16 June 1960, NFVA-1458, (S); [redacted] to Angleton, "Adolf Eichmann Case," 25 June 1960, NFVA-1473, (S); [redacted] to Angleton, "Adolf Eichmann," 25 July 1960, NFVA-1532, (S); [redacted] to Angleton, "DDR Accuses Hans Globke of Nazi Crimes/Adolf Eichmann Case/Israel's Relations with Soviet Bloc," 8 August 1960, NFVA-

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[redacted] to obtain more information about Eichmann from Israeli intelligence officials, as the press accounts were still vague as to how the Israelis tracked him down and where. Washington wanted its representative in Tel Aviv to use the media's reporting as a way to get to the bottom of the truth. Likewise, the CIA was interested in Eichmann's arrest because it offered a window into the organization, personnel, and capabilities of the Israeli intelligence services.[20] (S)

The Agency's Behind-the-Scenes Role (U)

While collecting more information about the actual Israeli kidnapping operation, the CIA continued to examine its own holdings related to Eichmann. In part, the Agency did this to assist the Israelis, but also to defend itself against communist efforts to use Eichmann's arrest against the West.[21] In the months after Eichmann's arrest and

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1573, (S), [redacted] to Angleton, "Adolf Eichmann Case," 15 August 1960, NFVA-1592, (S); [redacted] to Angleton, "Adolf Eichmann Case," 16 August 1960, NFVA-1596, (S); [redacted] to Angleton, "Adolf Eichmann Case," 18 August 1960, NFVA-1602, (S); [redacted] to Angleton, "Adolf Eichmann case," 14 December 1960, NFVA-1838, (S); [redacted] to Angleton, "Possible Soviet-Bloc Role in Adolf Eichmann Case," 7 February 1961, NFVA-1943, (S); [redacted] to Angleton, "Hessian Attorney General Fritz Bauer," 14 February 1961, NFVA-1964, (S); [redacted] to Angleton, "Adolf Eichmann Trial," 27 February 1961, NFVA-1982, (S); [redacted] to Angleton, "Adolf Eichmann Case," 6 March 1961, NFVA-2005, (S); [redacted] to Angleton, "Possible Communist Exploitation of Trial of Adolf Eichmann," 16 March 1961, NFVA-2027, (S); [redacted] to Angleton, "Adolf Eichmann Trial," 2 May 1961, NFVA-2134, (S); [redacted] to Angleton, "Eichmann Trial Visit/Cover Relations with [redacted]," 25 May 1961, NFVA-2183, (S), all in Eichmann, [redacted], DO Records. (S)

[20]Cable, Director to [redacted], 3 June 1960, Director 32810, OUT 82115, (S), in Eichmann, [redacted] DO Records. (S)

[21]For the transmittal of German records found by the CIA (including material in Eichmann's BDC file) to the Israelis, see Extract and Cross Reference of Memorandum for the Record, "Meeting with [redacted] on 15 June 1960," (S); "Adolf Eichmann," 15 June 1960, RJ-1953, (S); "Adolf Eichmann," 17 June 1960, RJ-1956, (S); "Adolf Eichmann," 22 June 1960, RJ-1964, (S); "Adolf Eichmann," 1 July 1960, RJ-1974, (S); "DDR Accuses Hans Globke of Nazi Crimes," 29 July 1960, RJ-1999, (S); "Adolf Eichmann," 5 August 1960, RJ-2013, (S); "Adolf Eichmann," 28

throughout his trial, the Soviets and the East Germans attacked Western nations for supporting Nazi war criminals.[22] During the Security Council debate in June 1960, the Soviet and Polish Governments voted against the resolution that Israel make adequate reparations for Eichmann's transfer from Argentina. The Polish delegate stressed that war criminals, like Eichmann, should be punished. He urged West Germany to rid itself of war criminals together with "many former Nazis and Hitlerite officers," which had become a "major political force."[23] Eichmann's arrest and trial marked the beginning of a major campaign by East Germany to expose the large numbers of former Nazis in positions of power in West Germany.[24] (S)

In early June, the CI Staff submitted a preliminary report of the results of its search of captured German documents in Washington–some five miles of records–for

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October 1960, RJ-2110, (S); "Adolf Eichmann," 25 November 1960, RJ-2150, (S), all in Eichmann, [redacted], DO Records. (S)

[22]For example, Sherman Kent, the chairman of the Board of National Estimates, prepared a report on the Eichmann case. "What is of intelligence interest," he wrote, "are the political and propaganda implications of the trial. There will be considerable latitude for various interested states to exploit the proceedings for their own use." See Sherman Kent, Office of National Estimates, to the Director of Central Intelligence, "The Eichmann Case," 28 March 1961, (S), in Eichmann, [redacted], DO Records. (S)

[23]Telegram, New York to Secretary of State, USUN Information Digest No. 255, "Eichmann Case," 24 June 1960, 18265, in Eichmann, [redacted], DO Records. (U)

[24]For example, see a German-language documentary report, "Eichmann Trial Exploited for Defamation campaign against the Federal Republic by Eastern Propaganda and Agitation," 22 February 1961, in DO Records, [redacted], Box 2, Folder 19, CIA ARC. This collection of documents was published in Frankfurt am Main in 1961 as "Eichmann Trial Exploited for Defamation campaign Against the Federal Republic by Eastern Propaganda and Agitation; Documentary Report." This document, in fact, was a BND rebuttal to charges that the West German Government was full of ex-Nazis. It was hand-delivered by a BND officer to DCI Dulles in February 1961. See Cable, Munich to Director, 22 February 1961, Munich 4517, IN 48939, (S), and Cable, Munich to Director, 23 February 1961, Munich 4523, IN 49428, (S), both in Eichmann, [redacted], DO Records. An East German summary of Nazis in positions of power in West Germany is found in National Council of the National Front of Democratic Germany and the Documentation Center of the State Archives Administration of the German Democratic Republic, *Brown Book: War and Nazi Criminals in West Germany: State, Economy, Administration, Army, Justice, Science* (Dresden: Verlag Zeit im Bild, 1965). (S)

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information on Eichmann. Among the items located, the CI Staff discovered a 4 November 1937 report prepared by Eichmann and another SS member about their trip to several countries, including Palestine, in September 1937. According to this report, Eichmann used Dr. Franz Reichert, a German press representative in Palestine, as his principal agent. Reichert, in turn, ran a Jewish subagent, known variously as Feiwel or Feibel Polkes, whose only means of livelihood came from the 20 pounds that he received monthly from his German handler. Polkes apparently reported to the Germans on the Jewish activities in the Middle East.[25] Additionally, the Agency's search for material on Eichmann led it to uncover wartime information about two other German SS officers– Otto von Bolschwing and Dr. Franz Six.[26] (S)

Both the Israeli and West German Governments launched an extensive investigation into Eichmann's wartime activities after his arrest. The Agency operated behind-the-scenes to grant both the Germans and Israelis access to the captured wartime

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[25]With the assistance of the Immigration and Naturalization Service, the CIA learned that Polkes, an Israeli native, had visited the United States as recently as January 1954. The CI Staff report also lists several of Eichmann's other agents, including a man by the name of von Bolschwing, who is suspected of being identical to Otto von Bolschwing. See [redacted] Acting Chief, CI Staff, to Director of Central Intelligence, "Adolf Eichmann," 1 June 1960, XAAZ-16241, (S), in Eichmann, [redacted], DO Records. Headquarters sent the list of Eichmann's agents to the Berlin Documents Center for tracing. See Cable, Director to Berlin, 15 June 1960, Director 35039, OUT 86455, (S); Chief of Base, Berlin to Chief, EE, "Forwarding of BDC Check Results," 21 June 1960, EGBA-64261, (S); Chief of Base, Berlin to Chief, EE, "Forwarding of Second Copy of BDC Check Results," 23 June 1960, EGBA-64267, (S), all in Eichmann, [redacted], DO Records. (S)

[26]For details about Dr. Six, who had been Eichmann's supervisor, see Cable, Director to Frankfurt, 17 June 1960, Director 35421, OUT 87207, (S), in Franz Alfred Six, [redacted] DO Records. For the CI Staff's findings on Otto von Bolschwing, who worked with Eichmann before the war, see [redacted] Chief, R&A to Chief, CI/Liaison, "Otto Albrecht Alfred von Bolschwing," 2 February 1961, (S), and [unsigned], Memorandum for the Record, "Otto Albrecht Alfred von Bolschwing," 10 April 1961, (S), both in Bolschwing, [redacted] DO Records. (S)

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records still in US hands.[27] The Agency also worked with the West German BND to determine if rumors of the existence of Eichmann's memoirs were true and if the material was genuine. The Agency learned that *Life Magazine* had purchased a copy in Argentina of transcripts of German-language tapes shortly after Eichmann's arrest. The Germans were concerned about the authenticity of the memoirs and whether it was a forgery or a smear job aimed at the West German Government.[28] (S)

As the case approached trial in Israel, the Agency responded to a variety of unusual requests.[29] In early January 1961, Munich Base informed Headquarters that the

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[27]The Israelis were interested in what the Germans had found among the captured Nazi records in Washington. See Extract and Cross Reference, Memorandum for the Record, "Luncheon Meeting with [redacted]' 9 August 1960, (S), "Erwin Schuele, Head of the Zentralstelle der Landesjustizverwaltung, Ludwigsburg," 11 August 1960, (S); Cable, Director to [redacted], 17 August 1960, Director 45723, OUT 59164, (S); "Adolf Eichmann," 20 August 1960, Cable-136; and Cable, [redacted] to Director, 20 August 1960, [redacted] 1072, IN 40785, (S); Memorandum for the Record, "Officials of the West German Government Examining Captured German Records on Eichmann," 13 September 1960, (S); and [redacted], Memorandum for the Record, "Israel Access to Eichmann Material in Archives," 29 September 1960," (S), all in Eichmann, [redacted], DO Records. (S)

[28]Cable, Munich to Director, 13 September 1960, Munich 2028, IN 11985, (S); Cable, Director to Munich, 15 September 1960, Director 00792, OUT 70128, (S); Cable, Munich to Director, 16 September 1960, Munich 2099, (S); Cable, Director to Munich, 17 September 1960, Director 01209, OUT 70972, (S); Cable, Director to Munich, 20 September 1960, Director 01652, OUT 71896, (S); Cable, Frankfurt to Director, 11 October 1960, Frankfurt 6363, IN 25805, (S); Cable, Munich to Director, 18 October 1960, Munich 2674, IN 29445, (S); Cable, Director to Munich, 19 October 1960, Director 06904, OUT 82854, (S); Cable, Hamburg to Director, 1 November 1960, Hamburg 1680, IN 36368, (S); and Cable, Director to Munich, Frankfurt, and Hamburg, 22 November 1960, Director 12757, OUT 95038, (S); Cable, Munich to Director, 1 December 1960, Munich 3335, IN 10595, (S); Cable, Munich to Director, 9 May 1961, Munich 5673, IN 48194, (S); Cable, Munich to Director, 17 May 1961, Munich 5786, In 12191, (S); Cable, Munich to Director, 17 October 1961, Munich 8081, IN 47319, (S), all in Eichmann, [redacted], DO Records. (S)

[29]Perhaps the most unusual request came from the FBI who reported that Helmut Felsch, an inmate at Clinton prison in New York and a former patient at the Miami Sanitorium and Neurological Institute, claimed to have served under Eichmann while in the German Army during the war. He also claimed to have information on Josef Mengele. It appears that the Agency took no action on this information. See FBI, Albany, "Adolph Eichmann; Dr. Josef Mengele," 17 February 1961, in Eichmann, [redacted] DO Records. (U)

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BND had received a letter from the German military attache in Madrid. Otto Skorzeny, one of the best-known SS officers to survive the war, told the West German embassy that he planned to sue a German magazine for slander in alleging that Skorzney had helped Eichmann to flee from Austria to Spain in 1948. Skorzeny wanted Reinhard Gehlen, president of the BND, to provide him with "some sort of official character testimonial from West German intel service especially concerning allegations." Gehlen wanted to help Skorzeny, but was reluctant to provide written documents as the German intelligence chief felt that Skorzeny could use that against him. The BND chief asked if the Americans could certify that Skorzeny was still in prison in 1948 when the magazine claims that he aided Eichmann. The Agency told Gehlen that it was reluctant to involve itself in this matter, especially as it seemed that the magazine was a "scandal sheet."[30] Interestingly, the Agency later informed the Israelis in March 1961 that it had received unconfirmed reports that Skorzeny planned to murder Eichmann.[31] (S)

The United States also grew concerned about a growing movement in West Germany and Israel against West German State Secretary Dr. Hans Globke, a senior member of Chancellor Konrad Adenauer's staff.[32] Globke, who wrote the official commentary for the 1935 Nuremberg Race Laws, was being linked Eichmann. The Agency, working with the Israelis, kept a wary eye on Eichmann's lawyer, Dr. Robert Servatius. The West Germans and the Americans felt that Servatius used Eichmann to exploit the Globke issue and that he was not above extortion. Likewise, the State

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[30]Cable. Munich to Director, 4 January 1961, Munich 3729, IN 25903, (S), in Eichmann, [redacted], DO Records. For further details on Skorzeny, see Otto Skorzeny, [redacted], DO Records. (S)

[31]Cable, Director to [redacted], 3 March 1961, Director 27944, OUT 79699, (S), in Eichmann, [redacted], DO Records. (S)

[32]See Reinhard M. Strecker, ed., *Dr. Hans Globke: Aktenauszuge, Dokumente* (Hamburg: Rutten and Loening, 1961). (U)

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Department tried to assess the position of Fritz Bauer, the SPD attorney general in the West German state of Hesse, who was also active in the drive to remove Globke.[33] (S)

As the trial got underway in early 1961, the Agency supported the Israelis by checking its records on the journalists scheduled to cover the event.[34] While it did not uncover any pro-Nazis or anti-Semites among the pool, the CIA told the Israelis that three of the correspondents were suspected of communist ties.[35] Officials in Washington also evaluated copies of World War II-era German documents that the Israelis had clandestinely copied during a "bag job" of Prof. Friedrich Kaul, a lawyer from East Germany representing Jews in that country to make civil claims against Eichmann. The Israelis were especially interested in one document in Kaul's possession which [redacted] of the CI Staff assessed as being false.[36] (S)

The Agency became very involved in the Eichmann case. It closely followed leads that the German SS officer had converted to communism while in an Israeli prison. That information, which a CIA officer discussed with Reinhard Gehlen, was reported by the West German intelligence chief as a leak from Eichmann's lawyer. Given the source of the information and how the West Germans obtained it, the CIA opted not to surface

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[33]Wayland B. Waters, American Consul, Frankfurt, to the Department of State, "The Eichmann Trial and the Allegations against State Secretary Dr. Globke–A Conversation with Hessian Attorney General Fritz Bauer," 7 February 1961, (C), in Eichmann, [redacted], DO Records. (C)

[34]See "Journalists Who [Have] Applied for Accreditation to Attend the Eichmann Trial," 11 January 1961, [no classification listed], in Eichmann, [redacted] DO Records. (S)

[35]"Journalists Who Have Applied for Accreditation to Attend the Eichmann Trial," 8 February 1961, [no classification listed], in Eichmann, [redacted] DO Records. (S)

[36] [redacted], Memorandum for the Record, "More Background on the Eichmann Trial," 16 March 1961, (S), and [redacted] Memorandum for the Record, "Evaluation of the Eichmann Documents," 17 March 1961, (S) in Eichmann, [redacted], DO Records. For a report on Kaul, see [redacted], Jr., Chief, Special Projects Group, to Chief, EE/G, "Dr. Friedrich Karl Kaul," 6 April 1961, (S), in Eichmann, [redacted] DO Records. (S)

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the story in the press.[37] More importantly, the Agency intercepted mail in West Germany related to the Eichmann case, including correspondence from his lawyer in Israel.[38] CIA also tracked down Manual Arthur da Silva, a Brazilian who walked into the US Consulate in Sao Paulo and claimed that he had worked for the Argentine intelligence service. Da Silva said that the Israelis now threatened him for protecting Eichmann. Traces done at Headquarters and in [redacted]; were negative.[39] (S)

Eichmann lingered in his prison cell until his execution in Tel Aviv in June 1963 –the first death sentence carried out in the state of Israel. He went to his fate in a calm manner and told the witnesses, "Long live Germany, long live Argentina, long live Austria . . . I had to obey the laws of war and my flag."[40] His death brought to a close an interesting chapter in the CIA's relationship with the Israelis and its first postwar experience with Nazi war criminals. Shin Bet officer [redacted], basking in the glow of the Eichmann case, remarked, "In our business, of course, you cannot expect to be thanked, and this has really been extraordinary."[41] Such euphoria was short-lived; the

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[37]Gordon M. Stewart, Chief, EE, to DCI Dulles, 21 April 1961, XAAZ-17026, (S), inclosing Allen W. Dulles to Director, United States Information Agency, "Allegation that Eichmann is Now a Communist," in Eichmann, [redacted], DO Records. See also Cable, Munich to Director, 9 May 1961, Munich 5673, IN 48194, (S); Cable, Munich to Director, 5 June 1961, Munich 6012, IN 20404, (S); and Cable, Munich to Director, 17 October 1961, Munich 8081, IN 47319, (S), all in Eichmann, [redacted] DO Records. (S)

[38]Chief, Munich Liaison Base to Chief, EE, "Intercepted Correspondence Concerning Adolf Eichmann," 13 November 1961, EGMA-56739, (S), and Chief, Munich Liaison Base to Chief, EE, "Efforts on Behalf of Adolf Eichmann by Otto Skorzeny," 7 May 1962, EGMA-58608, (S) both in Eichmann, [redacted] DO Records. See also Cable, Munich to Director, 28 February 1962, Munich 0042, IN 34671, (S), in Eichmann, [redacted], DO Records. (S)

[39]Cable, Director to [redacted] 24 June 1961, Director 47248, OUT 69900, (S), and Cable, [redacted] to Director, 29 June 1961, [redacted] 6887, IN 32021, (S), both in Eichmann, [redacted], DO Records. (S)

[40]Ayre Wallenstein, "Adolf Eichmann Dies on the Gallows; Self-Possessed, Defiant to the End," *Washington Post*, 1 June 1963, pp. A1 and A15. (U)

[41]"Memorandum of Conversation with [redacted]" 23 November 1960, [no classification listed], in Eichmann, [redacted], DO Records. (S)

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Eichmann case marked the advent of a long journey in the reconciliation of the Central Intelligence Agency with its Cold War past. (S)

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SOURCESMETHODSEXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

Chapter Fifteen

Unfinished Business (U)

With Eichmann's dramatic capture in Argentina and his well-publicized trial in Israel, the American public slowly realized that some Nazis had not been brought to justice before the International Military Tribunal in Nuremberg or the numerous other postwar trials.[1] Some of these criminals had actually taken up residence in the United States. The Immigration and Naturalization Service, charged with the enforcement of American immigration laws, appeared powerless to act on allegations of wartime Nazi activity or collaboration committed by now-American citizens or resident aliens. (U)

The Federal government's abortive attempts in the 1950s to deport Andrija Artukovic, Croatia's minister of the interior, and Nicolae Malaxa, a chief Romanian industrialist and financier of the fascist Iron Guard, highlighted the ineffectiveness of the US policy toward war criminals in the United States. By 1973, the INS had received nearly 60 reports of immigrants who had worked for the Germans during the war, but had actively pursued less than a dozen cases, and only three people were actually deported from the United States.[2] The INS failed to take more effective action in part because it lacked centralized planning and funding to investigate allegations of Nazi war crimes. In

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[1]A summary of the Army's less famous war crimes trials can be found in Frank M. Buscher, *The US War Crimes Trial Program in Germany, 1946-1955* (New York: Greenwood Press, 1989). (U)

[2]Ryan, *Quiet Neighbors*, pp. 29-42. (U)

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addition, these investigations were assigned a low priority due to poor evidence and the Service's belief that Soviet propaganda prompted many of the allegations.[3] (U)

In the wake of Vietnam and Watergate, many Americans grew disillusioned with the US government. The specter of deliberate coverups by Federal authorities related to Nazi war criminals did not seem so farfetched as one scandal after another erupted in the 1970s. Charles R. Allen, a journalist and editor of *The Nation*, was among the first Americans to question the presence of Nazi war criminals and collaborators in the United States. In a series of articles (later republished as *Nazi War Criminals Among Us*), Allen uncovered a number of individuals with Nazi pasts in the United States. He also revealed that the inspector general of West German *Bundeswehr* had previously served in the *Wehrmacht*. Allen's activities attracted the attention of US intelligence, leading the CIA to open his mail from the Soviet Union in a clandestine program known as HTLINGUAL.[4] (S)

Elizabeth Holtzman, a Democratic member of Congress from Brooklyn, soon became the chief critic of the government's policies concerning the presence of Nazi war criminals in America. Elected in a stunning victory in 1972 as the youngest woman to hold office in the US Congress, she earned a national reputation on the House Judiciary

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[3]1978 GAO Report, pp. 13-18; Ryan, *Quiet Neighbors*, p. 4. (U)

[4]Allen learned about the Agency's illegal letter opening program in 1981 when the CIA released its records in response to his Privacy Act request in 1978. Allen filed suit against the CIA and the US government for violation of his constitutional rights later that year and he also submitted an administrative tort claim. The court denied his HTLINGUAL suit because the statute of limitations had expired, but the Federal government settled the suit for $1000 in damages and $66 in legal fees. The government, however, admitted no liability. See Charles R. Allen, Jr. v. United States of America and the Central Intelligence Agency, Civil Action CV-81-2606, in Office of General Counsel Records, [redacted], Box 1, CIA ARC. Interestingly, Oleg Kalugin, a Soviet KGB officer posted in New York under journalist cover and later a major general, claims that he provided Allen with material to use for his book. Oleg Kalugin with Fen Montaigne, *The First Directorate: My 32 Years in Intelligence and Espionage Against the West* (New York: St. Martin's Press, 1994), pp. 54-55. (U)

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Committee during the Watergate hearings two years later. Starting that same year, Holtzman also spearheaded the movement to uncover the extent of the government's involvement with Nazi war criminals. Holtzman and Joshua Eilberg of Pennsylvania, the Democratic chairman of the House Subcommittee on Immigration, Citizenship, and International Law, demanded that the Commissioner of Immigration and Naturalization provide updated reports on the Service's investigations of Nazi war criminals. The representatives also pressed the Department of State for better cooperation in working with foreign governments to obtain evidence against suspected war criminals.[5] (U)

In May 1974, Holtzman condemned a new INS Nazi war criminal task force in New York as having conducted its investigations with "appalling laxity and superficiality." Holding news conferences in Washington and New York, Holtzman told the press that "despite the 'high priority' nature of I.N.S.' investigation, its administration and conduct can only be described as haphazard, uncoordinated, and unprofessional."[6] By the end of the year, Holtzman complained that the promised INS investigations had fizzled.[7] The INS project control office, a one-man operation, had proven simply incapable of directing full-scale investigations as well as coordinating with other government agencies and foreign countries.[8] (U)

Frustrated by the poor progress on the part of the INS, Holtzman's subcommittee suspected that other agencies of the US Government deliberately obstructed the Nazi war

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[5]Holtzman's activities as one of the leading proponents of the Nazi war criminal investigations are found in Saidel, *The Outraged Conscience*, pp. 104-121. See also, Elizabeth Holtzman with Cynthia L. Cooper, *Who Said It Would Be Easy?: One Woman's Life in the Political Arena* (New York: Arcade Publishing, 1996). (U)

[6]Ralph Blumenthal, "Rep. Holtzman Calls US Lax on Nazi Inquiries," *New York Times*, 21 May 1974, p. 8. (U)

[7]Ralph Blumenthal, "Drive on Nazi Suspects A Year Later: No US Legal Steps Have Been Taken," *New York Times*, 23 November 1974, p. 48. (U)

[8]Ryan, *Quiet Neighbors*, pp. 52-53. (U)

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criminal investigations.[9] The Central Intelligence Agency soon became a target because of the perception (largely fostered by two highly publicized Congressional investigations in 1975) that it was a "rogue elephant."[10] In the fall of 1976, for example, Eilberg and Holtzman questioned the commissioner of the INS whether the CIA had shielded at least one man suspected of war crimes from prosecution. Reacting to a published report, the two members of Congress found "the willingness of the CIA to employ and contact the Immigration Service on behalf of a person alleged to have committed war crimes under the Nazis an intolerable affront to the decency of the American people." Congress demanded to know the extent of the Agency's communications with the INS and whether the INS had previous contact with other Federal organizations, including the Office of Strategic Services.[11] (U)

Starting in 1976, the Agency began to work with the INS on the Nazi war criminal investigations after it received the first request to trace suspected Nazi war criminals. On 19 October 1976, Lucien N. Nedzi, Democratic congressman from Michigan and then chairman of the House Armed Services Special Subcommittee on Intelligence, asked George L. Cary, CIA's Legislative Counsel, to determine the "flap potential" of the CIA's

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[9]"Nazi War Criminals: Chronology of Activities of the Subcommittee on Immigration, Citizenship, and International Law," provides a detailed account of the Subcommittee's interest in the topic during the years 1974 through 1977. Chronology found in DO Records, [redacted], Box 8, Folder 154, CIA ARC. (U)

[10]For further detail about the various investigations, see [redacted], *William E. Colby as Director of Central Intelligence 1973-1976*, CIA History Staff, 1993, (S) and [redacted] *The CIA and Congress: Years of Change 1966-1980*, CIA History Staff draft manuscript, 1993, (S). Senator Frank Church's "rogue elephant" comment gave credence to the public's perception that the CIA was an agency out of control. For further information on the "rogue elephant" illusion, see Rhodri Jeffreys-Jones, *The CIA and American Democracy* (New Haven: Yale University Press, 1989), pp. 193, 208, and 214-215. (U)

[11]Elizabeth Holtzman and Joshua Eilberg to Leonard F. Chapman, Commissioner, Immigration and Naturalization Service, 15 October 1976, in DO Records, [redacted] Box 1, Folder 1, CIA ARC. As will be discussed below, this letter pertained to the case of Edgars Laipenieks. (C)

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contact with 141 "war criminals" known to INS "who might be subjected to reinvestigation and possible deportation."[12] Working from limited information (initially a simple list of names), both the Office of Security and the Directorate of Operations determined that they possessed records on a number of these individuals, including documents that indicated that the Agency had employed at least a dozen of these subjects over the years.[13] (S)

Even before Nedzi had finished reviewing the name traces, Congress ordered an investigation by the General Accounting Office.[14] Years of foot-dragging by the INS and, indeed, by the entire Federal government, prompted Rep. Eilberg, as chairman of the House subcommittee, to request the General Accounting Office "to determine if Immigration personnel deliberately obstructed active prosecution of these cases or engaged in a conspiracy to withhold or quash any information in its possession."[15] Although Eilberg opened the investigation in January 1977, Frank C. Conahan, Associate

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[12]George L. Cary, Legislative Counsel to [redacted] Chief, DDO/Information Services Staff, "Agency Contact with War Criminals," 26 October 1976, (S), in DO Records, [redacted], Box 8, Folder 154, CIA ARC. (S)

[13] [redacted] Chief, External Inquiries Section to Chief, IP/Reference Branch, "Background Information on Alleged Nazi War Criminals," 16 February 1977, (S), enclosing [redacted] to Chief, Security Analysis Group, "Alleged Nazi War Criminals in the United States," 21 December 1976, (C), in DO Records, [redacted], Box 8, Folder 154, CIA ARC. See also unsigned, Memorandum for Record, "Search to Determine Any Agency Connection with Individuals on IN&S List of 'Alleged Nazi War Criminals,'" 19 November 1976, in the same job as above. (S)

[14] [redacted], Assistant Legislative Counsel to Special Assistant for External Oversight, "Request by the House Judiciary Committee for Agency Documents Related to Nazi War Criminals Immigrating to the United States," 21 March 1977, OLC 77-1076, (C), in DO Records, [redacted], Box 8, Folder 154, CIA ARC. (C)

[15]1978 GAO Report, pp. 44-45. (U)

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Director of the GAO's International Division, did not formally approach CIA for its cooperation until September of that year.[16] (U)

The First GAO Investigation (U)

The CIA, the State Department, the INS, and the FBI jostled with both GAO and the House Judiciary Subcommittee over arrangements to handle "third agency" material contained in the files of the Immigration and Naturalization Service. Three agencies (the CIA, the FBI, and the State Department) refused to grant GAO investigators direct access to INS records if they contained documents from their respective agencies.[17] [redacted]

[redacted], the point of contact in the Directorate of Operations working with the GAO investigation, met with other agency officials, GAO investigators, and Congressman Eilberg in April 1977. [redacted] made clear that such documents would be reviewed by the Agency to excise any references to source, methodology, collection, or operations" before the GAO investigators could inspect them.[18] Under the guidelines established by

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[16]Frank C. Conahan, Associate Director, International Division, General Accounting Office to Office of the Comptroller, 2 September 1977, Compt 77-1334, in DO Records, [redacted] Box 8, Folder 154, CIA ARC. (U)

[17]Various Office of Legislative Counsel journals for 18, 23 February, 18 March, and 5 April 1977, (C), provide details of conversations between CIA, GAO, and the House Subcommittee for access to CIA records. See DO Records, [redacted] Box 8, Folder 154, CIA ARC. (C)

[18] [redacted] Memorandum for Record, "GAO's Investigation of Immigration and Naturalization Service's Handling of the Immigration into the US of Alleged Nazi War Criminals," 6 April 1977, OLC 77-1368, (S), in DO Records, [redacted], Box 8, Folder 154, CIA ARC. [redacted] was formally appointed CIA's point of contact following CIA's official notification of the investigation by GAO in September 1977. See James H. Taylor, Comptroller to DDO, "GAO Review of Evidence of Fraudulent Entry into the United States of Alleged Nazi War Criminals," 14 September 1977, Compt 77-1334, and [redacted] Office of the Special Assistant to the DDO for External Oversight to [redacted] Office of the Comptroller, "GAO Review of Evidence of Fraudulent Entry into the United States of Alleged Nazi War Criminals," 27

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the INS and GAO, the investigators coordinated directly with individual agencies about reviewing third-agency documents.[19] The CIA and the GAO did not reach a formal understanding regarding access to classified Agency material and its use until April 1978–only a month before the GAO issued its report.[20] (S)

In November 1977, the GAO launched its formal examination of the Central Intelligence Agency when it submitted a list of 111 persons to the Agency (see Appendix F).[21] The GAO's names, essentially an abbreviated version of the list given to the Agency by Congressman Nedzi in 1976, consisted of INS cases of suspected Nazi war criminals and collaborators residing in the United States. The GAO placed particular emphasis on two suspects, Edgars Laipenieks and Tscherim Soobzokov, both of whom had already attracted substantial media interest. (U)

The Agency responded to GAO's request a month later, promising, "we will cooperate to the fullest extent possible in this investigation."[22] Upon finding records of any of the 111 suspects, the Agency prepared a summary of the information on each individual for Daniel F. Stanton and John Tipton, the GAO's primary investigators. The

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September 1977, both documents in DO Records, [redacted] Box 8, Folder 154, CIA ARC. (S)

[19] A copy of "Availability of Immigration and Naturalization Service Files to GAO in Connection with its Investigation of IN&S Delays in Institution of Denaturalization and Deportation Proceedings Against Alleged Nazi War Criminals," which outlines the general procedures for access to INS records, is found in DO Records, [redacted], Box 8, Folder 154, CIA ARC. (U)

[20] [redacted], Acting Legislative Counsel, CIA, and Victor L. Lowe, Director, General Government Division, GAO, "Memorandum of Understanding between the General Accounting Office and the Central Intelligence Agency," signed 5 and 7 April 1978, in DO Records, [redacted], Box 8, Folder 154, CIA ARC. (U)

[21] Conahan, GAO to Office of Legislative Counsel, 3 November 1977, in DO Records, [redacted], Box 8, Folder 154, CIA ARC. (U)

[22] Cary to Conahan, 6 December 1977, OLC 77-4776/a, DO Records, [redacted] Box 8, Folder 154, CIA ARC. (U)

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two investigators, in turn, determined which records to examine in greater detail and informed [redacted] of their requirements. Agency reviewers then performed "appropriate sanitization to remove personal identities, intelligence sources and methods, and any other information not related to your inquiry" from the relevant documents. Stanton and Tipton reviewed the sanitized copies at CIA Headquarters and took notes of the records, subject to another CIA review and sanitization. In keeping with the "third agency" rule established by INS and GAO, other documents found in the Agency's records, such as Army material, were not shown to the GAO investigators, although the Agency referred these records to their originating office.[23] (U)

Congressional interest in the GAO's investigation, coupled with a separate and somewhat haphazard INS investigation, tested the Agency's ability to cooperate with the General Accounting Office. Not willing to let the GAO conduct its own independent investigation, Congressman Eilberg wrote DCI Stansfield Turner on 4 November 1977 requesting "a detailed report" on the same 111 individuals that the GAO was already investigating.[24] Consequently, the Agency permitted two Congressional staff members of the House Subcommittee, Arthur Endres and Peter Regis, to look at the material under review by GAO's Stanton and Tipton.[25] With two investigations now underway, the Agency provided a detailed summary of the Agency's records on the 111 suspects to the GAO and House in mid-December 1977.[26] (S)

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[23]Ibid. (U)

[24]Eilberg to Turner, 4 November 1977, OLC 77-4817, in DO Records, [redacted], Box 8, Folder 154, CIA ARC. (U)

[25] [redacted] to [redacted], DCI Security Officer, "Request for Certification of Security Clearances," 16 November 1977, OLC 77-5029, (S), in DO Records, [redacted] Box 8, Folder 154, CIA ARC. (S)

[26]A series of memoranda provide a summary of the Agency's activities during this time. See especially [redacted] to [redacted] and [redacted], Office of Legislative Counsel,

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While the GAO and House Subcommittee reviewed CIA's records (both sets of investigators examined Agency material in late 1977 and again in early 1978), the Immigration and Naturalization Service tried to enhance its bruised reputation by establishing the Special Litigation Unit (SLU) to investigate and bring to trial Nazi war criminals. Formed in the late summer of 1977, SLU, under Martin Mendelsohn, did not really get off the ground until the spring of 1978 when it launched a new investigation in the wake of the GAO and House Subcommittee.[27] By the spring of 1978, the CIA juggled three separate investigations, all essentially examining the same material and asking similar questions. (U)

As early as February 1978, the House Subcommittee pressed the GAO to testify at a public hearing the following month about the progress of the investigations.[28] Congressional pressure mounted throughout the spring of 1978, forcing the GAO to wrap up its investigation in April. Later that same month, CIA officials, primarily [redacted] and [redacted], reviewed the preliminary draft report and added two paragraphs emphasizing that the CIA did not knowingly employ any war criminals during a period of intense need for intelligence about the Soviet Union.[29] (S)

"Alleged Nazi War Criminals in the United States," 15 December 1977, (S), in DO Records, [redacted] Box 8, Folder 154, CIA ARC. (S)

[27]The formation of SLU is discussed in the 1978 GAO Report, pp. 26-27. (U)

[28] [redacted] Memorandum for the Record, "Nazi War Criminals," 3 February 1978, (S), in DO Records, [redacted] Box 8, Folder 154, CIA ARC. (S)

[29]Copies of the GAO drafts with portions highlighted by CIA reviewers are found in DO Records, [redacted] Box 8, Folder 169, CIA ARC. See also "[redacted] to [redacted] GAO Draft Report of War Crimes Investigation," 21 April 1978, OLC 78-0357/8, (S), and "[redacted] to [redacted]," 21 April 1978, (S), in DO Records, [redacted], Box 8, Folder 154, CIA ARC. The Office of Security also expressed concerns about the language of the draft, especially the GAO's criticism of the use of prepared summaries and sanitized documents by the CIA and the FBI. See [redacted] to Chief, Security Analysis Group, "Nazi War Criminal Investigation," 4 May 1978, (C), in same job as above. (S)

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The General Accounting Office submitted to Congress its formal report, *Widespread Conspiracy to Obstruct Probes of Alleged Nazi War Criminals Not Supported by Available Evidence–Controversy May Continue*, on 17 May 1978. Regarding the CIA's involvement, the GAO found that, in its search for information on 111 individuals, the Agency had no information on 54. Of the remainder, CIA acknowledged having a more substantial relationship with 22 individuals. In one unnamed case, CIA sponsored immigration of "a senior official of the German Foreign Ministry during the Nazi era" to the United States. The remaining 21 individuals had contact with CIA either overseas or after their immigration; some were paid while the Agency declined to utilize others.[30] (U)

The Report's Backlash (U)

The report unleashed a storm of criticism about the use of Nazi war criminals by the United States Government. Rep. Joshua Eilberg publicly blasted the CIA and FBI. "This report makes it clear," Eilberg announced, "that the CIA and FBI were more interested in using these people and getting information from them, than in conducting any background investigation as to their wartime activities or pursuing allegations that they were war criminals." He also had harsh words for the Agency and commented, "I'm appalled that so many of these individuals had direct contact with our government officials, and that some actually were assisted by the CIA in entering this country."[31] The GAO report made national headlines with reporters emphasizing the CIA's role regarding

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[30] 1978 GAO Report, pp. 33-34. (U)

[31] Press Release, "Report to Eilberg Charges Nazi Ties with CIA, FBI," 17 May 1978, in DO Records, [redacted], Box 8, Folder 154, CIA ARC. (U)

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Nazi war criminals. In contrast, the investigation's original intent, to ascertain the cause of the lax response by the INS, attracted less attention from the media.[32] (U)

The GAO Report was also notable for its hesitant conclusion that there was no evidence of a conspiracy to obstruct justice. The GAO tried to protect itself by stating on the cover of the report that it did not enjoy full access. "GAO's investigation was hindered by the effect of the passage of time on the availability of information and limited access to agencies' records."[33] (U)

The Central Intelligence Agency took this criticism with some disappointment. From its standpoint, the Agency felt that it had been forthright in revealing its files to the GAO and the House Subcommittee. DDCI Frank C. Carlucci wrote the General Accounting Office on 18 May 1978 to protest the report's conclusion. "We would like the record to show that we were prepared at all times to make complete files (appropriately sanitized to protect intelligence sources and methods) available for review by the investigators to validate their conclusions."[34] (U)

Trying to shore up relations on Capitol Hill, DCI Stansfield Turner wrote to Edward Boland, the chairman of the House Permanent Select Committee on Intelligence, in June 1978. Turner assured the congressman that the Agency "has never in any way been involved in any attempts to protect alleged Nazi war criminals." He offered the

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[32]For example, see Associated Press release by Jay Perkins, undated and untitled, which formed the basis for report "CIA Used Alleged Nazis, GAO Says," in *The Washington Post*, 17 May 1978. See also Marjorie Hunter, "Utilization of Nazis Laid to CIA and F.B.I.," *New York Times*, 17 May 1978. Copies of various articles found in DO Records, [redacted], Box 8, Folders 154 and 169, CIA ARC. (U)

[33]Cover statement, 1978 GAO Report. For further details, see the Report's "Scope of Review," pp. 4-6. (U)

[34]Carlucci to J.K. Fasick, International Division, GAO, 18 May 1978, OLC 78-0357/E, in DO Records, [redacted], Box 8, Folder 154, CIA ARC. (U)

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members of the oversight committee full access to CIA's records relating to the GAO investigation.[35] (U)

New Hearings (U)

Eilberg convened his subcommittee in July 1978 to hear new testimony from the GAO, various researchers, and former officials responsible for immigration policy and enforcement. Following up on the hearings conducted in August 1977, this second round of hearings focused on the published GAO report, but also delved into questions of actual US immigration policies after the war, including the Displaced Persons Act of 1948.[36] In discussing the report with Victor L. Lowe, GAO's director of the General Government Division, Eilberg and Elizabeth Holtzman questioned why the House Subcommittee had better access to the CIA's records than the GAO investigators. Lowe responded that the CIA's summarized reports were unsatisfactory. "Bear in mind," Lowe reminded the Subcommittee, "we could only ask for the documents supporting the summary they gave us. We do not know what they put in the summary. You wouldn't know what to ask for, you see, so the summary document is what you had to go by."[37] (U)

Charles R. Allen, the journalist who in the early 1960s had exposed the fact that Nazis and their collaborators came to the United States, was the star witness of the 1978

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[35]Turner to Boland, 17 June 1978, OLC 78-0357/G, in DO Records, ⊏ ⊐ Box 8, Folder 155, CIA ARC. (U)

[36]US Congress. House. Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary. *Alleged Nazi War Criminals*. 95th Cong., 2nd sess., 19-21 July 1978 (hereafter cited as the 1978 Hearings). See also US Congress. House. Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary. *Alleged Nazi War Criminals*. 95th Cong., 1st sess., 3 August 1977 (hereafter cited as the 1977 Hearings). (U)

[37]1978 Hearings, pp. 20-21. (U)

hearings. He grabbed headlines again by criticizing the Agency for its failings ranging from illegal spying on American citizens, drug testing, and criminal actions in Vietnam. "Against such a background," Allen dramatically exclaimed, "need there be any surprise that, as I have charged and can demonstrate, some 10 US Intelligence Agencies–headed by the CIA and the FBI–have over the past 33 years utilized at least provable Nazi war criminals who, taken together, are charged with responsibilities for the genocide of some 2.4 million women, children, and men between 1939 and 1945?"[38] By the end of the three days of hearings in the summer of 1978, the House Subcommittee branded the Central Intelligence Agency's intransigence as a major reason why the GAO investigation had failed.[39] In Eilberg's opinion, "it is just regrettable that so much time and man-hours and money was expended and we have so little to show for it."[40](U)

The House Subcommittee (with Eilberg and Holtzman as its two leading advocates) demanded that the US Government provide more answers about its use of Nazis and their collaborators after World War II. In late June 1978, Eilberg and the other Subcommittee members signed a memorandum of understanding with the CIA to permit House staff members to examine Agency material. Similar in nature to the agreement reached with the GAO in April, the memorandum codified the working arrangement

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[38]Ibid., p. 61. (U)

[39]Ironically, the GAO dispatched its two investigators to visit CIA immediately prior to the summer hearings. The investigators reexamined some Agency records and discussed some of the questions that the House Subcommittee had provided in advance. The CIA's use of the summary reports was not mentioned in the House's preliminary questions. See [redacted], Memorandum for Record, "General Accounting Office Meeting," 10 July 1978, enclosing "Points to be Covered at GAO Meeting," in DO Records, [redacted] Box 8, Folder 155, CIA ARC. A CIA official attended the hearings and provided some feedback. See [redacted], Memorandum for the Record, "House Judiciary Subcommittee on Immigration, Citizenship, and International Law Hearings on Alleged Nazi War Criminals, 19-20 July 1978," 20 July 1978, OLC 78-0357/28, in the same job as above. (U)

[40]1978 Hearings, p. 29. (U)

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between the CIA—primarily the DO—and the House investigators.[41] In mid-August, Eilberg called a meeting of representatives from the CIA, the GAO, and the Departments of Defense, Justice, and State that established the guidelines for Eilberg's investigation and hailed the CIA's Memorandum of Understanding with the Subcommittee as a model working tool.[42] The Subcommittee's new investigation retraced the steps of the GAO investigation in examining records of the 111 suspects. James Black, an investigator from the GAO (who had not worked on the earlier investigation) was detailed to assist the House in examining the Agency's records. Like the GAO study, the House still had to submit to the CIA's rules (as stated in the Memorandum of Understanding) that allowed investigators to review documents only after removal of names of CIA personnel or other information concerning sources or methods.[43] (S)

The Holtzman Amendment (U)

Congresswoman Elizabeth Holtzman assumed the chair of the House Immigration Subcommittee after Eilberg lost his bid for reelection. Her rise to Congressional

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41 [redacted], Acting Legislative Counsel, to Eilberg, 22 June 1978, enclosing Memorandum of Understanding between the Director of Central Intelligence and the House Judiciary Subcommittee on Immigration, Citizenship, and International Law, in DO Records, [redacted], Box 8, Folder 155, CIA ARC. An account of a meeting between CIA and the House concerning the MOU is found in [redacted] Memorandum for Record, "Meeting with Chairman Joshua Eilberg (D., Pa.), House Judiciary Subcommittee on Immigration, Citizenship, and International Law," 19 June 1978, OLC 78-2409, in the same job as above. (U)

42 [redacted] Assistant Legislative Counsel, Memorandum for Record, "Multiagency Meeting with House Judiciary Subcommittee on Immigration, Citizenship and International Law Chairman Joshua Eilberg (D., Pa.) on 17 August 1978," 17 August 1978, OLC 78-0357/30, enclosing list of participants, statement by Eilberg, and "Scope of Subcommittee Investigation," in DO Records, [redacted] Box 8, Folder 155, CIA ARC. (U)

43 [redacted] Chief, Policy and Coordination Staff, Policy Guidance and Legal Affairs, Litigation Branch, to Chief, Information Management Staff, "Nazi War Criminals," 1 November 1978, (S), in DO Records, [redacted], Box 8, Folder 155, CIA ARC. (S)

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leadership was enhanced by growing Congressional interest in Nazi war criminals and in the previous fall when Pres. Jimmy Carter signed the amendments to the Immigration and Naturalization Act of 1952.[44] The new law incorporated the language and intent of the 1948 Displaced Persons Act and the 1953 Refugee Relief Act to "exclude from admission into the United States aliens who have persecuted any person on the basis of race, religion, national origin, or political opinion, and to facilitate the deportation of such aliens who have been admitted into the United States."[45] Holtzman's bill closed a loophole that had hindered the government from taking legal action against these individuals.[46] (U)

Holtzman hailed the new law and exclaimed, "the presence of Nazi war criminals in the United States constitutes the unfinished business of World War II. By taking an forthright stand against allowing these mass murderers a haven in this country, we will not only reaffirm our commitment to human rights but we will be making it clear that persecution in any form is repugnant to democracy and to our way of life."[47] (U)

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[44]Growing Congressional interest in Nazi war criminals in response to constituent requests can be seen in letters from Sen. Max Baucus about Nicolae Malaxa, a Romanian financier with ties to both the Nazis and communists. Likewise, Rep. Lamar Gudger also expressed concern about CIA's ties to war criminals. He called for the DCI to support the Congressional and Justice Department investigations. See various correspondence in DO Records, [redacted] Box 8, Folder 155, CIA ARC. (U)

[45]*United States Code, Congressional and Administrative News, 95th Congress-Second Session 1978*, vol. 4: *Legislative History* (St. Paul: West Publishing Company, 1979), pp. 4700-4716. (U)

[46] The 1948 DP Act and the 1953 Refugee Relief Act excluded those immigrants from entering the United States who "have assisted the enemy in persecuting civil populations" (language derived from the Constitution of the International Relief Organization). The Immigration and Naturalization Act of 1952, however, did not incorporate this wording; thus, the government could deport war criminals admitted under the 1948 and 1953 acts, but not those that entered the United States under the 1952 law. (U)

[47]Congressional Quarterly, *Almanac 95th Congress 2nd Session....1978*, vol. XXXIV (Washington, DC: Congressional Quarterly, 1979), pp. 8-9. (U)

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As the new Subcommittee chair, Holtzman immediately pushed for a stronger organization within the Federal government to investigate and prosecute Nazi war criminals. In late March 1979, the Associate Attorney General bowed to her wishes and announced that the Department of Justice would transfer the Special Litigation Unit from the Immigration and Naturalization Service to the Criminal Division of the Department of Justice. At the same time, the Justice Department planned to expand the new organization's staff, now called the Office of Special Investigations (OSI), to nearly 40 personnel with a budget of $2 million.[48] Martin Mendelsohn remained as the head of the new OSI until early May 1979 when Walter J. Rockler, a prominent lawyer and a former prosecutor at the Nuremberg war crimes trials, accepted a temporary position as the director of the fledgling office.[49] (U)

The Holtzman Amendment, in combination with the Office of Special Investigations, transformed the Federal government's ability to investigate, prosecute, and deport Nazi war criminals and their collaborators. In the deportation of aliens residing in the United States, the Office of Special Investigations had to show that the defendant had advocated, assisted, or participated in Nazi-sponsored persecution on the basis of race, religion, national origin, or political belief. In denaturalization cases of American citizens, however, OSI still had to prove that the defendant obtained American citizenship by means of fraud or misrepresentation of a material fact.[50] (U)

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[48]A.O. Sulzberger, Jr., "Agency Studying Nazis is Upgraded," *New York Times*, 29 March 1979, P. A18. (U)

[49]For biographical information on Rockler, see Adam Bernstein, "Nuremberg Prosecutor Walter Rockler," *The Washington Post*, 12 March 2002, p. B6, and "Walter Rockler, War-Crimes Agency Chief, Dies at 81," *New York Times*, 21 March 2002, p. A31. (U)

[50]A fact is considered to be material when, if it had been revealed at the time of immigration or naturalization, it might have induced the US Government to institute further investigation that could have revealed that the individual was ineligible for an immigrant visa and/or US

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By the end of the 1970s, Congressional interest had forced the investigations to accelerate–although not without some confusion and misunderstandings, as seen by the GAO and Congressional investigations during 1977-78. Over the next ten years, the Office of Special Investigations would handle a number of important cases while the General Accounting Office conducted another controversial investigation. The Central Intelligence Agency clearly remained the focus of these new investigations. (U)

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citizenship. Information provided by Dr. Elizabeth B. White, historian with the Office of Special Investigations, 3 September 1996. (U)

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DoJ/OSI

Chapter Sixteen

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

CIA's First Cases (U)

FOR COORDINATION WITH DoJ/OSI

The Office of Special Investigations inherited a mixed bag of cases from the Special Litigation Unit. By the time of OSI's establishment in the spring of 1979, SLU's reputation had plummeted because it had mishandled several investigations, which subsequently affected the Federal government's efforts to bring Nazi war criminals to trial. Attorney General Benjamin R. Civiletti even declared that the SLU had a "sort of system of non-management." Outside observers quickly seized on these failures as yet another example of the "open secret" within Washington that intelligence agencies planned to stonewall Nazi war criminal investigations. In the words of one author, SLU was simply "a goldfish in a tank of bureaucratic barracuda."[1] (U)

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[1] A summary of SLU's problems is found in Charles R. Allen, Jr., "Nazi War Criminals in the United States," *The Jewish Veteran* (September-October 1979), pp. 1-4. OSI's uneven birthing was not enhanced by internal squabbling within the organization during its first year of existence. Martin Mendelsohn, SLU's former director and now OSI's deputy director, and Walter Rockler, OSI's new director, simply did not get along. Philip B. Heymann, Assistant Attorney General, consequently reassigned Mendelsohn to other duties within the Department of Justice in January 1980. Mendelsohn's removal prompted yet another outcry in Congress and two members of Congress wrote the US Attorney General to protest the action. In their opinion (joined by over 40 other Congressmen), OSI clearly lost "an invaluable resource" with Mendelsohn's departure. [redacted], the Directorate of Operations's point of contact with the new agency, aptly noted that Mendelsohn's firing highlighted the sensitive nature of the Nazi war criminal investigations. "We must," [redacted] stressed, "continue to deal with the **political** issue of the Nazi

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In the meantime, Walter Rockler, who had left a prestigious position with a Washington law firm to serve as acting director of OSI, felt uncomfortable in his new role. An expert on the Federal tax code, Rockler's only work with war criminals had been at Nuremberg over 30 years earlier. He found the work at OSI too demanding, and he admitted that he had taken the job "with great reluctance." He stepped down in March 1980 and was succeeded by his deputy director, Allan A. Ryan, Jr., later that spring.[2] (U)

A New Director, A New Start (U)

Ryan realized that OSI needed strong leadership and direction if the office were to overcome its initial handicaps. Among his first actions, Ryan reviewed OSI's entire caseload, primarily former INS and SLU actions. He found a jumble of cases, ranging from rather solid ones to mere "my neighbor-is-a-Nazi" accusations. Ryan scored a victory when the US Supreme Court upheld the legality of the Holtzman Amendment and denaturalized Feodor Fedorenko, a former Ukrainian concentration camp guard, in 1981.

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war criminals as carefully as in the past." See Robert Pear, "Justice Dept. to Oust Nazi Hunter," *New York Times*, 7 January 1980, pp. 1 and 18; Jack Anderson, "Nazi Hunter is Victim of Infighting," *Washington Post*, 9 January 1980, p. B15; and Christopher Todd and Bill Frenzel to Benjamin R. Civiletti, 19 February 1980, with attached petition, in DO Records, [redacted] Box 1, Folder 2, CIA ARC. [redacted] made his comments on a cover note to the Todd and Frenzel letter. (U)

[2]Walter J. Rockler, "I Took on My Assignment with Great Reluctance," *Legal Times of Washington*, 25 February 1980. Rockler's work with the Nuremberg trials and later with OSI left him uncertain as to the value of war criminal prosecutions. "They had important symbolic value," he said in 1995, "but no substantial impact." Rockler, who spent 36 years at the law firm of Arnold & Porter, died in 2002. See Adam Bernstein, "Nuremberg Prosecutor Walter

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Attorney General Civiletti personally argued OSI's case against Fedorenko before the Supreme Court, stressing the Government's interest in bringing Nazi war criminals to justice.[3] (U)

In late 1979, OSI assigned Arthur Sinai as its liaison to the CIA for requests for name traces. His CIA counterpart was [redacted] of the Office of General Counsel.[4] In February 1980, Sinai passed OSI's first major request to CIA to review its holdings for information on 275 individuals.[5] [redacted] in transmitting the OSI request to the Directorate of Operations and the Office of Security, emphasized the importance of the Agency's accurate response.[6] The Agency's work in this effort marked the beginning of CIA's assistance to OSI in conducting over a thousand name traces.[7] (U)

Rockler," *Washington Post*, 12 March 2002, p. B6, and "Walter J. Rockler, War-Crimes Agency Chief, Dies at 81," *New York Times*, 21 March 2002, p. A31. (U)

[3]Elizabeth Olson, "Civiletti Urges Supreme Court to Allow Stripping of Ex-Nazi Guard's Citizenship," *Washington Post*, 16 October 1980, p. A-2. See also Aric Press and Diane Camper, "A New Hunt for Old Nazis," *Newsweek*, 27 October 1980, p. 84. (U)

[4]Philip B. Heymann, Assistant Attorney General, Criminal Division, to Frank Carlucci, Deputy Director, CIA, 17 December 1979, ER 79-8922, in OGC Records, [redacted], Box 1, Folder 6, CIA ARC. [redacted] designation as the OGC point of contact is found in [redacted] to Heymann, 3 January 1980, OGC 80-00032, in OGC Records, [redacted], Box 1, Folder 5, CIA ARC. (U)

[5]Arthur Sinai, Deputy Director, OSI to Adm. Turner, 19 February 1980, in OGC Records, [redacted] Box 1, Folder 5, CIA ARC. (U)

[6] [redacted] to Chief, IMS/FPLG and Chief, Security Analysis Group, "Name Trace Requests from Office of Special Investigations, Department of Justice," 12 March 1980, OGC 80-02039, in DO Records, [redacted], Box 1, Folder 2, CIA ARC. (U)

[7]CIA provided feedback to OSI concerning the February 1980 request in [redacted] to Ryan, 11 July 1980, OGC 80-06025, (C), and [redacted] to Richard Sullivan, Assistant Deputy Director, OSI, 25 July 1980, OGC 80-06437, (C), both in OGC Records, [redacted], Box 1, Folder 5, CIA ARC. (C)

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CIA faced a new challenge in responding to the growing demands of the Office of Special Investigations. In late February 1980, CIA officials met with OSI representatives to determine how the Agency would respond to the name trace requests. The DO agreed that it would conduct only "on-the-head" traces. The DO then provided the Office of General Counsel with four general responses: No Trace, No Positively Identifiable Information, Possibly Identifiable Information is Available, or Information on Subject is Available.[8] In mid-July 1980, Ryan met with [redacted] of the Office of General Counsel to determine procedures for OSI's review of the CIA records that the name traces had identified. Following this meeting, [redacted], in turn, outlined the specific agreements reached between the two agencies on 7 August 1980. This meeting [redacted] established the working principles between CIA and OSI that continue to the present day.[9] (U)

The Soobzokov Case (U)

Despite the progress that Ryan made with CIA during his first months as OSI's director, a certain degree of suspicion lingered between the two agencies. The Soobzokov case revealed the intricacies of coordinating a Federal prosecution among

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[8] [redacted] IMS/FPLG to [redacted], Chief, IMS/OG/EIRS, "Department of Justice Request for Information on Alleged Nazi War Criminals," 10 March 1980, (S), in DO Records, [redacted], Box 1, Folder 4, CIA ARC. (S)

[9] [redacted] 7 August 1980 letter to Ryan, OGC 80-06918, is found in OGC Records, [redacted] Box 1, Folder 5, CIA ARC. (U)

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numerous departments and agencies. Soobzokov had a brief but complicated relationship with the Central Intelligence Agency. He first came to the CIA's attention when a case officer met him in Amman, Jordan, in December 1950. [redacted] used Soobzokov as an unwitting informant and then as a paid source on the Circassian, or North Caucasian, emigre community in the Middle East. (S)

Soobzokov was born in Toktamukai, Caucasus, in the Soviet Union sometime between 1918 and 1924. His own accounts obscured his activities both before and during World War II, but Agency records show that he collaborated with the Nazis as a member of the Caucasian field gendarmerie in 1942. He ended the war as a Waffen SS *Obersturmfuehrer*, or first lieutenant, employed in recruiting fellow Caucasians for German military service. When the Third Reich collapsed, Soobzokov surrendered to the British in Austria but escaped a short time later. Joining his family and other refugees, he went to Italy and then on to Jordan, where he found work with the Amman city government and became active in local Circassian activities.[10] (S)

The CIA remained in contact with Soobzokov after he immigrated to the United States in 1955. On 6 December 1956, a Maj. Lawrence London addressed a letter to Soobzokov in Paterson, New Jersey, announcing the formation of Material Testing Unit No. 1 "to conduct a research program of foreign military material." Maj. London told Soobzokov, "we are interested in securing the services of qualified personnel, both US

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[10]For a summary of Soobzokov's activities, see [redacted], Memorandum for the Record, "Prosecution of Tscherim Soobzokov Background on the Documents Requested by the

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citizens and aliens, with experience and knowledge specific to our needs." The Army officer invited Soobzokov to travel to Fort Meade, Maryland, to join a CIA paramilitary program, Project AEREADY.[11] (S)

Soobzokov trained at Fort Meade from February through August 1957, and he returned to Jordan to run a network of Circassians into Syria. Within a month, Soobzokov had so badly exposed his position in Jordan that the Agency sent him back to the United States. Despite the debacle, the Agency kept him as a reserve agent for another two years, investigating his past. In October 1958, Soobzokov admitted that he had repeatedly lied to the CIA about numerous aspects of his life. A final polygraph test in late 1959 determined that Soobzokov was "an incorrigible fabricator who is still attempting deception about his past." The Agency withdrew Soobzokov's operational approval in the spring of 1960 and had nothing further to do with him.[12] (S)

Department of Justice," 7 February 1980, (S), in OGC Records, [redacted] Box 2, Folder 33, CIA ARC. (S)

[11]Maj. Lawrence London to Tscherim Soobzokov, 6 December 1956, contained in packet of material on Soobzokov relating to Freedom of Information Act request from Mr. Eugene R. Scheiman to the Department of the Army for all records regarding Soobzokov's employment. See [redacted], OGC, Memorandum for the Record, "Freedom of Information Request to the Department of the Army concerning Tscherim Soobzokov," 29 February 1980, (S), in OGC Records, [redacted], Box 2, Folder 33, CIA ARC. (S)

[12]Copies of various interrogations and polygraph interviews can be found in the OGC files. For example, see [redacted], OGC, Memorandum for the Record, "Department of Justice Document Request–Tscherim Soobzokov," 21 February 1980, OGC 80-01444, (S), in OGC Records, [redacted], Box 2, Folder 33, CIA ARC. See also [redacted], Deputy Director for Security, Memorandum to the General Counsel, "Tscherim Soobzokov," 22 February 1980, (S), in OGC Records, [redacted], Box 2, Folder 32, CIA ARC. (S)

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Wanted! (U)

Twenty years later this case created considerable turmoil between the Department of Justice and the CIA. The Federal government's case against Soobzokov changed several times after its inception in the mid-1970s as an investigation of the Caucasian immigrant for Social Security fraud. In 1977, Howard Blum wrote *Wanted! The Search for Nazis in America*, which claimed that Soobzokov had participated in war crimes during World War II and later worked for the CIA. Soobzokov, in turn, sued Blum for libel and lashed out at several Federal investigators.[13] At the same time, Harry C. Batchelder, Jr., Assistant United States Attorney for the Southern District of New York, became involved in the ever-widening investigation of Soobzokov. Batchelder's inquiries to the US Army about Soobzokov's government employment brought the Central Intelligence Agency into the picture during the fall of 1977.[14] (C)

[redacted] CIA's Office of General Counsel initially coordinated the Agency's role in the Soobzokov investigation with other Federal agencies. In late

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[13] A summary of the case against Soobzokov and his various suits against Blum, his publisher, various Federal officials, and later against CBS is found in Soobzokov's "Answer" to the Complaints filed by the Office of Special Investigations. See Answer, *United States of America v. Tscherim Soobzokov*, Civil Action No. 79-3468, United States District Court, District of New Jersey, in OGC Records, [redacted], Box 2, Folder 35, CIA ARC. Soobzokov did not reach a settlement with Blum's publishers until 1983. See "The Insurers of Times Books Reaches Settlement of Lawsuit," *New York Times*, 3 July 1983, p. 30. (U)

[14] [redacted] Office of General Counsel to [redacted] "Request for Information on Tscherim Soobzokov from United States Attorney's Office, Southern District, New York," 3 October 1977, OGC 77-6284, (C), in OGC Records, [redacted] Box 2, Folder 34, CIA ARC. (C)

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September 1977, he met with Batchelder and two investigators, Anthony DeVito and Reuben Fier, to discuss the grand jury proceedings against Soobzokov. The Federal prosecutors wanted to move against Soobzokov for war crimes (including reports that Soobzokov had personally executed three individuals), Social Security fraud, income tax evasion, political corruption, threats against grand jury members, immigration fraud, and perjury. Batchelder, DeVito, and Fier agreed to downplay reports of Soobzokov's employment by the CIA because his "association was of minimal interest to the grand jury investigation." The investigators, however, sought any documentation from CIA records that provided details of his wartime activities. At the same meeting, [redacted] learned from the investigators that Soobzokov had an unusually high level of contact with the Soviet Union, a possible counterintelligence interest. (C)

As a result of his discussion with the three Federal officials, the CIA attorney recommended to [redacted] of the Directorate of Operations that records pertaining to Soobzokov's activities during World War II be separated from his regular file and provided to the investigators. [redacted] wanted to assure the investigators of the Agency's "continued good faith" and to emphasize that CIA had had no dealings with Soobzokov since the 1950s.[15] (C)

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[15] [redacted]: to [redacted] "Meeting with Assistant United States Attorney, Southern District, New York, in response to a Request for Files concerning Tscherim Soobzokov," 8 November 1977, OGC 77-70 [illegible], (C), in OGC Records, [redacted], Box 2, Folder 34, CIA ARC. (C)

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In mid-December 1977, Fier and other attorneys from the Department of Justice came to CIA Headquarters to review DO and Security files relating to Soobzokov.[16] The Office of Security refused to comply with the US District Attorney's request to review Soobzokov's polygraph examinations, although it agreed to respond in summary form to the specific issues.[17] By the end of the year, Soobzokov's case had attracted attention from other investigators, including the House Subcommittee and the General Accounting Office. This, in turn, raised questions within the Agency as to who had direct responsibility for Soobzokov's prosecution.[18] (S)

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16 [redacted], Memorandum for the Record, "Soobzokov Investigation," [undated], in OGC Records, [redacted], Box 2, Folder 34, CIA ARC. See also [redacted] to [redacted] "Department of Justice Inquiry on Tscherim Soobzokov," 12 December 1977, OGC 77-7953, in same files as above. (U)

17 Robert W. Gambino, Director of Security, to Acting Deputy Director of Central Intelligence, "Release of Polygraph Questions and Answers to the Department of Justice–Tscherim Soobzokov," 11 January 1978, ER 78-4136, (S), in OGC Records, [redacted] Box 2, Folder 34, CIA ARC. (S)

18 [redacted] to [redacted] 'The Continuing Saga in the Investigation of Ex-Nazis of the United States," 2 December 1977, in OGC Records, [redacted] Box 2, Folder 34, CIA ARC. Martin Mendelsohn, the newly-named director of the Special Litigations Unit, also entered the picture at this point, although SLU's investigation was separate from the New York District Attorney's efforts. In March 1978, Mendelsohn told [redacted] that a new US attorney, Thomas H. Belote, had been assigned to the Soobzokov case in addition to Jerry Siegel. Mendelsohn and Belote both asked for access to the CIA's records and raised the issue of using CIA material in any trial of Soobzokov. In early 1979, the Government ended the grand jury investigation of Soobzokov for fraud, leaving Mendelsohn and Belote to focus solely on war crimes. See [redacted] Memorandum for the Record, "War Criminal Investigation," 16 March 1978, OGC 78-1636; [redacted] Office of General Counsel, Memorandum for the Record, "Tscherim Soobzokov/Nazi War Criminal Deportation Litigation–Meeting of 8 November 1978," 20 December 1978, (C); [redacted], Memorandum for the Record, "US v. Tscherim Soobzokov," 5 February 1979, OGC 79-01253, (S), enclosing Mendelsohn to Robert Fiske, US Attorney, Southern District of New York, 5 January 1978 [79], and Fiske to Mendelsohn, 10 January 1979, all in OGC Records, [redacted], Box 2, Folder 34, CIA ARC. (S)

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The Soobzokov case languished in the Special Litigation Unit for the next several months until the new Office of Special Investigations took it over and assigned Joseph F. Lynch as its investigating attorney.[19] Lynch came to CIA Headquarters in June 1979 and reviewed Soobzokov's three DO files (sanitized with minor redactions of individual names, project names, and other miscellaneous CIA information). Lynch requested copies of several documents, including Soobzokov's "Biography of an Emigrant" from his sanitized 201 file.[20] (S)

While under investigation by the Federal government, Soobzokov had filed a libel suit against Blum, his publishers, and CBS News. During the course of his testimony for that case in 1978, Soobzokov claimed that he had provided a written account of his wartime activities to the State Department when he had applied for a visa in late 1954. In July 1979, OSI's Lynch contacted the State Department's Visa Section for assistance in determining whether Soobzokov had made any statements or provided any written record while applying for admittance to the United States regarding his membership in the

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[19]Joseph F. Lynch, Special Attorney, OSI to [redacted] "Tscherim Soobzokov," 3 July 1979, OGC 79-06128, in OGC Records, [redacted] Box 2, Folder 34, CIA ARC. Ironically, the US District Attorney's office in New York still had not decided whether to prosecute Soobzokov because of possible irregularities in the earlier grand jury investigation. See [redacted] Memorandum for the Record, "Konstantin Hanff and Tscherim Soobzokov," 3 July 1979, OGC 79-06165, (S), in the same job as above. (U)

[20]See Lynch to [redacted] 3 July 1979, OGC 79-06128, and [redacted] to Lynch, "Tscherim Soobzokov," 13 August 1979, OGC 79-07451, (S), in OGC Records, [redacted], Box 2, Folder 34, CIA ARC. See also [redacted] to [redacted] "Department of Justice Investigation of Tscherim Soobzakov [sic]," 12 July 1979, (S); [redacted] to [redacted] "Department of Justice Investigation of Tscherim Soobzokov," enclosing Lynch's 29 June 1979 notes, 2 July 1979, (S); and [redacted] to [redacted] "DOJ Request to Review Tscherim Soobzokov Soviet Internal Passport," 11 July 1979, [no classification listed], all in DO Records, [redacted], Box 1, Folder 1, CIA ARC. (S)

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Waffen SS. While a copy of this request and a follow-up memo in October 1979 appear in OGC's files on Soobzokov, OSI did not make any similar requests to CIA.[21] Based on the State Department's response, OSI could not substantiate Soobzokov's claims and pressed ahead with its investigation. (U)

OSI Files Suit (U)

On 5 December 1979, the Office of Special Investigations, with Lynch as the trial attorney, filed suit against Tscherim Soobzokov for failing to reveal his membership in the Waffen SS and his other activities on behalf of Nazi Germany. In a 10 count allegation, OSI declared that Soobzokov had also concealed his criminal record in the Soviet Union. Consequently, the Government asserted that Soobzokov never legally entered the United States and that he had procured his citizenship through "concealment of material facts or willful misrepresentation."[22] (U)

In filing suit in New Jersey, OSI's deputy director, Martin Mendelsohn, asked the Agency for permission to use specific documents in Soobzokov's CIA files, including

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[21]Lynch made these requests to the State Department because Soobzokov had testified that he had written a report about his Waffen SS activities when he had applied for immigration during 1954-55. See Lynch to Visa Office, Department of State, "Tscherim Soobzokov," 27 July 1979, and Lynch to Larry Riveria, Department of State, 11 October 1979. The State Department's response is found in Linda Mathews Eckhardt, Advisery Opinions Division, Visa Services Directorate, to Lynch, "Soobzokov, Tscherim aka Showabzoqa, Abdel Karim," 1 November 1979, all documents in OGC Records, ⌐ ¬ Box 2, Folder 34, CIA ARC. (U)

[22]A copy of the 5 December 1979 suit, *United States of America v. Tscherim Soobzokov*, is found in OGC Records, ⌐ ¬, Box 2, Folder 34, CIA ARC. (U)

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polygraph reports and various wartime documents. Some of these documents revealed that Soobzokov worked for the Germans, which he had admitted during his polygraph tests. Mendelsohn, however, made no request for any records pertaining to Soobzokov's immigration.[23] (U)

Mendelsohn's letter to the CIA generated considerable activity within the Agency.[24] The Directorate of Operations refused to release its records to OSI because "should the documents requested be declassified and made available for trial, we would put an almost certain jeopardy on the cover of two CIA staff officers, their subsequent successful and highly sensitive operations and the location of CIA installations in the Middle East and in the United States."[25] The Office of Security also opposed the release of polygraph reports. While it had already agreed to release summary reports of the polygraph interviews, the Office of Security now rejected that approach because the DO had refused to release its records.[26] (S)

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[23]Mendelsohn to [redacted] 6 December 1979, OGC 79-10975, in OGC Records, [redacted] Box 2, Folder 34, CIA ARC. (U)

[24][redacted], Office of General Counsel to Director of Security, "Document Request from Department of Justice," 18 January 1980, OGC 80-00478, (C), in OGC Records, [redacted] Box 2, Folder 33, CIA ARC. (C)

[25][redacted] to [redacted] "Prosecution of Tscherim Soobzokov–DOJ Request for Assistance," 7 February 1980, OGC 80-01138, (S), in OGC Records, [redacted], Box 2, Folder 33, CIA ARC. For a description of the documents requested by OSI, see [redacted] Memorandum for the Record, "Prosecution of Tscherim Soobzokov Background on the Documents Requested by the Department of Justice," 7 February 1980, (S), in the same job as above. (S)

[26][redacted] Deputy Director of Security to [redacted], "Tscherim Soobzokov," 15 February 1980, OGC 80-01344, (S), in OGC Records, [redacted], Box 2, Folder 33, CIA ARC. (S)

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[redacted] OGC's new point of contact with OSI, endeavored to fashion other approaches to assist the Department of Justice in its prosecution of Soobzokov.[27] [redacted] was able to soften the DO's and Security's hard line regarding the specific documents desired by OSI. In addition, [redacted] and the DO contacted two former CIA officers familiar with Soobzokov from his time in Jordan in the early 1950s, and they suggested several other approaches to obtain information and documents concerning his activities between 1945 and 1955.[28] (S)

A Turn for the Worse (U)

The Soobzokov case took a serious turn at the end of March 1980 when [redacted] spoke with Soobzokov's lawyer about the defendant's earlier Freedom of Information Act (FOIA) request. Michael Dennis, Soobzokov's counsel, now asked whether the CIA had uncovered a "Form V-30," also known as a Personal Data Form, which Soobzokov claimed to have filed with the US Embassy in Jordan. [redacted] replied that the searches in response to Soobzokov's FOIA request were still in progress, and he recommended that

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[27] [redacted] summary of the impasse is found in [redacted] Memorandum for the Record, "Department of Justice Document Request–Tscherim Soobzokov," 21 February 1980, OGC 80-01444, (S), in OGC Records, [redacted], Box 2, Folder 33, CIA ARC. (S)

[28] [redacted] to Rockler, 25 March 1980, OGC 80-02444, (S), in OGC Records [redacted] Box 2, Folder 33, CIA ARC. The DO provided great assistance to [redacted] in this effort and, in fact, interviewed the retired officers. See [redacted] to [redacted], "*US v. Tscherim Soobzokov*," 7 March 1980. OGC 80-01922, (S), in the same job as above. The notes from the meetings with [redacted] And [redacted] are found in DO Records, [redacted], Box 1, Folder 2, CIA ARC. (S)

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Dennis provide a copy of this document.[29] At the same time, Ryan at OSI also learned that Soobzokov had a Personal Data Form in his possession. According to Soobzokov's defense attorney, the form showed that he had, in fact, admitted his wartime service to a US consul, Robert Wallace, in Jordan in 1952. (U)

Allan Ryan immediately dispatched letters to both the State Department and CIA requesting their assistance in locating this document. While the State Department again failed to locate any information, CIA had different and disturbing news. The Agency, in reviewing its entire files on Soobzokov, located not only a copy of the Form V-30, but also found an Operations Memorandum from Amman, Jordan, requesting a security advisery opinion for Soobzokov's visa in 1953.[30] Both documents clearly listed Soobzokov's affiliations with German collaborationist units and his service in the Waffen SS.[31] (S)

The Agency's discovery forced Allan Ryan to dismiss OSI's case against Tscherim Soobzokov in July 1980. In a public statement, Ryan admitted that his office could not pursue its case against the Caucasian for concealing his collaboration with the Germans in the Soviet Union or his service in the Waffen SS when he immigrated to the United States or when he applied for American citizenship. The case, Ryan said, had

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[29] ⊏ ⊐Memorandum for the Record, "27 March 1980 Telephone Call to Michael Dennis," 3 April 1980, OGC 80-02835, in OGC Records, ⊏ ⊐ Box 2, Folder 33, CIA ARC. (U)

[30] ⊏ ⊐ to ⊏ ⊐ State Department Documents concerning Tscherim Soobzokov," 2 April 1980, OGC 80-02851, (C), in OGC Records, ⊏ ⊐, Box 2, Folder 33, CIA ARC. Copies of the two documents are attached to this memorandum. (C)

[31] ⊏ ⊐ to Lynch, 23 June 1980, OGC 80-05391, (S), in OGC Records, ⊏ ⊐, Box 2, Folder 32, CIA ARC. (S)

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become complicated when Soobzokov's attorney and the Central Intelligence Agency both revealed that they had documents that proved that Soobzokov had, indeed, admitted his wartime activities to the State Department in the early 1950s. As a result of this evidence, Ryan asked that the US District Court for New Jersey dismiss the charges against Soobzokov.[32] (U)

Only after several months of research could CIA offer an explanation as to how these State Department records became part of CIA's filing system. At a meeting on 31 March 1980 between representatives of OSI and CIA officials, Ryan tried to diffuse the tension that had developed between Lynch, who had previously reviewed CIA's sanitized files on Soobzokov, and [redacted], who managed the DO's support for the Nazi war criminal investigations. It appeared that the CIA had not shown these new documents to the OSI, although [redacted] contended that this was not the case. As [redacted] later explained, the documents had been "enveloped and sealed" in Soobzokov's 201 file. The Agency had not made them specifically available to OSI, nor had OSI specifically asked for them because of their State Department origins.[33] (C)

Ryan now faced a dilemma. He recognized that the Agency's method of separating "third agency" documents before external review probably created this situation and that OSI was unaware of the existence of the two critical documents. He

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[32]Statement of Allan A. Ryan, Jr., Director, OSI, Department of Justice, 8 July 1980; Thomas O'Toole, "CIA 1952 Files Saves Ex-Nazi in Deportation Case," *Washington Post*, 10 July 1980, p. A13, both in DO Records, [redacted], Box 1, Folder 3, CIA ARC. (U)

[33][redacted] to Chief/IMS and Office of Security, "Tscherim Soobsokov," 10 April 1980, [no classification listed], in DO Records, [redacted], Box 1, Folder 2, CIA ARC. (U)

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told the CIA's General Counsel, "the disclosure that your Agency has had the V-30 document since 1953 places the case under discussion in an entirely new light. The eventual outcome whatever it may prove to be, will almost certainly result in severe public embarrassment to the United States Government and in particular to the Department of Justice." OSI's director complained the incident was "an embarrassment that we could have avoided if we had adequate notice of the existence of the document prior to filing the complaint."[34] (U)

Questions remain to this day about the two State Department documents in the Agency's files. In retrospect, it appears that Lynch did not focus on State Department material during his visits to the Agency when he reviewed Soobzokov's sanitized 201 file. Instead, he was interested in other documents in the file, including polygraph reports and Soobzokov's biographical material. The State Department's 1953 Operational Memorandum was in the sanitized file when Lynch reexamined it in May 1980, but he probably did not pay it much attention because it was sealed as a third agency document. The location of the State Department Personal Data Form, the Form V-30, is more uncertain. It was not in Soobzokov's sanitized 201 file in 1996, nor does Lynch mention it in his notes on 1 May 1980. Thus, it is still a matter of conjecture if Lynch could have

[34]Ryan to [redacted], 7 April 1980, OGC 80-03058, in OGC Records, [redacted] Box 2, Folder 33, CIA ARC. (U)

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proceeded with the suit; certainly, the investigation would have proceeded more smoothly if OSI's investigators had reviewed all documents in the Agency's possession.[35] (S)

An Appearance of Collusion (U)

In July 1980, the Office of Special Investigations dropped its suit against Soobzokov because the CIA revelation disproved the Government's allegations. *The Washington Post* wrote that it was a "classic case of the right hand not knowing what the left hand was up to." Elizabeth Holtzman blasted the Agency and said, "I am angered by the implications of this, if the documents giving rise to the dismissal are in fact valid. As a minimum, that would mean that despite Soobzokov's admission that he was a member of the Waffen SS, the State Department, after consultation with the CIA, chose to admit him to the United States." The Democratic Congresswoman believed that "this once again raises the spectre of possible connivance and collusion on the part of our

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[35] discussed Lynch's reactions to the CIA's disclosures. See Memorandum for the Record, "14 April 1980 Meeting with Allan Ryan, OSI/DOJ," 17 April 1980, (S), in OGC Records, , Box 2, Folder 33, CIA ARC; and , Memorandum for the Record, "Review of Documents by Joseph Lynch, Department of Justice," [undated], in the same job as above, folder 32. Lynch visited the CIA on 29 June 1979 and 2 November 1979 and made notes from both DO and OS records. These notes make no reference to Soobzokov's immigration efforts. See to Lynch, 9 January 1980, OGC 80-00191, (S), in the same job as above, folder 33. A copy of the notes is attached to , Security Analysis Group to , "Nazi War Criminals Investigation," 13 November 1979, OGC 79-10220, (S), in OGC Records, , Box 2, Folder 29, CIA ARC. Interestingly, there is no correspondence from the DO regarding notes, if any, made by Lynch during this 2 November 1979 visit. Nor did Lynch mention the critical documents during his review of CIA's records on 29 June 1979. See Lynch to , 3 July 1979, OGC 79-06128, in OGC Records, , Box 2, Folder 34, CIA ARC. (S)

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government in admitting, and providing sanctuary to, suspected Nazis."[36] Soobzokov remained a controversial figure and protesters often surrounded his house in Paterson, New Jersey.[37] He died after a mysterious bomb explosion, which the FBI linked to a series of attacks on Arab-Americans and suspected Nazi war criminals in the United States by militant Jewish organizations. No arrests have been made, and the case remains open to this day.[38] (U)

As OSI gained more experience, the rancor over the Soobzokov case faded. The CIA now realized that "third agency" documents contained vital information for Nazi war criminal investigations that might not be available in the files of the originating agency.

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[36]Thomas O'Toole, "CIA 1952 Files Save Ex-Nazi in Deportation Case," *Washington Post*, 10 July 1980, p. A13. The Agency provided Holtzman with a briefing in the midst of the ongoing criticism. See Directorate of Operations Spot Report, "Use of Documents from CIA Files in Ex-Nazi Deportation Case," 14 July 1980, (S), citing a 10 July 1980 *Washington Post* article, "CIA 1952 Files Save Ex-Nazi in Deportation Case," in OGC Records, [redacted], Box 3, Folder 32, CIA ARC. The *New York Times* had a small piece in its second section about the dismissal of the Soobzokov case on 10 July 1980. (S)

[37]A year after OSI dropped its case, Jack Anderson wrote about Soobzokov. Jack Anderson, "US Gives Ex-Nazis a Security Blanket," *Washington Post*, June 5, 1981, p. C17. CIA still faced a Freedom of Information Act request from Richard Krieger, Executive Director of the Jewish Federation of North Jersey and the American Civil Liberties Union for details about Soobzokov's immigration. See *American Civil Liberties Union of New Jersey v. Department of Justice, et al*, United States District Court for the District of Columbia, Civil Action No. 81-0815, in OGC Records, [redacted], Box 2, Folder 27, CIA ARC. Jack Anderson again reported on Soobzokov in an article, "Long Memories in New Jersey about 3rd Reich," *Washington Post*, 11 July 1981, p. B7. (U)

[38]Ralph Blumenthal, "Man Accused of Nazi Past Injured by Bomb in Jersey," *New York Times*, 16 August 1985, p. B2; Albert J. Parisi, "Pipe-Bomb Death Puzzles Authorities," *New York Times*, 15 September 1985, Section XI, pp. 8-9; and Judith Cummings, "F.B.I. Says Jewish Defense League May Have Planted Fatal Bombs," *New York Times*, 9 November 1985, pp. 1 and 32. (U)

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It also recognized the need to enhance its overall system of conducting name traces for OSI. The Soobzokov case was a painful learning experience for both CIA and OSI.[39] (U)

Edgars Laipenieks (U)

As Ryan reviewed the other OSI cases in 1980, he found that the Federal government had become embroiled in another legal morass over Edgars Laipenieks. Media reports and political maneuvering only complicated matters. In 1976, Soviet newspaper *Tass* alleged "in defiance of international law, and mocking the memory of millions of victims of fascism, the CIA has been for long sheltering in US territory former Nazi executioners from retribution in token for 'gratitude' for their 'services' to US intelligence services." *Tass* cited Edgars Laipenieks, a "former collaborator of the Nazi police in the Nazi-occupied territory of Latvia, who is guilty of committing at least 37 war crimes."[40] (U)

Born in Latvia in 1913, Laipenieks joined that small country's army during the early 1930s and later competed at the 1936 Olympics. During the Soviet occupation of Latvia, Laipenieks claimed to have witnessed numerous atrocities committed by the Russians, including the deportation of his wife's family to Siberia, where they died.

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[39]The problem of handling "third agency" material in CIA files was partially alleviated in late 1980 when the INS allowed CIA to provide immigration records directly to OSI. Glenn A. Bertness, Acting Associate Commissioner Enforcement to [redacted] 12 November 1980, CO 105.3-C, in DO Records, [redacted] Box 1, Folder 5, CIA ARC. (U)

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Following the Soviet retreat from Latvia in the face of the German onslaught in 1941, Laipenieks joined the Latvian political police and hunted staybehind communist agents and sympathizers. In this role, Laipenieks, according to a 1946 CIC report, served "allegedly [as] an interrogator at the Gestapo jail in Riga, Latvia. He was actually seen killing four persons at said jail during interrogations." Laipenieks, one witness recounted, was "a most cruel and mean character, known for his mistreatment of prisoners."[41] (S)

In addition to his Latvian police activities, Laipenieks worked for the German *Abwehr* to counter Soviet attempts to infiltrate the Baltic States. According to his own account, he continued to work with the Germans until 1943 when he returned to his civilian occupation as a baker in his family's business. Laipenieks fled from Latvia in the summer of 1944 and eventually arrived in Austria the following summer. After a minor altercation with the French occupation authorities over stolen property, he became a ski coach for the French Army, and in 1947 immigrated to Chile, narrowly escaping the Soviets, who apparently sought his arrest for his wartime activities.[42] (S)

Laipenieks became the coach of the Chilean Olympic ski team during the games in Melbourne, in 1956. He came to the attention of the CIA the following summer when his team was scheduled to compete in Moscow. CIA officers in Chile requested a name

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[40]Georgiy Tsaritsyn, "Under the Patronage of CIA," *Tass*, 16 October 1976, translated by FBIS. Translated article found in Edgars Laipenieks, [redacted], DO Records. (U)

[41]For a brief description of Laipenieks, see "Rough Summary of Information Concerning the Wartime Activities of Edgars Laipenieks [redacted] in Latvia," 20 October 1976, and "Rough Summary of CIA Operational Involvement with Edgars Laipenieks [redacted]," 20 October 1976, (S), in Laipenieks, [redacted], DO Records. (S)

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trace on Laipenieks and hoped to use him as a REDSKIN agent, but this plan did not develop because Laipenieks refused to travel to the Soviet Union. In addition, CIA's name trace revealed that Laipenieks had a shady past. (S)

Laipenieks toured the United States after the 1956 Olympics where he met the athletic director of the University of Denver who offered him a position as an assistant coach and physical education teacher. He accepted the position and moved to the United States as a Chilean citizen in 1960. He spent several years in Colorado, coaching at the University of Denver and working odd jobs during the summer months. Through one of his sons, CIA reestablished contact with him in the hope that he might convince [redacted], to defect at an international track meet at Stanford University in July 1962. Laipenieks made an appointment with [redacted], whom he had met at the Melbourne Olympics games, and found that the coach was receptive to Western advances. (S)

Later that summer, CIA officials in Washington had an opportunity to talk with Laipenieks and assess him. While his case officer found him in July 1962 to be a "very willing" and "able operator," Headquarters had a different opinion two months later.[43] The Agency expressed concern about his wartime activities, and determined that Laipenieks was an "anti-social and shifty individual." Headquarters recommended that

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[42]Ibid. See also "Translation of AESIDECAR/2's Autobiographical Statement," 5 September 1962, (S), in Laipenieks, [redacted] DO Records. (S)

[43]See [redacted], Chief, SR/2/Baltic, Memorandum for the Record, "AESIDECAR/2, Background Information," 14 September 1962, SR/2-B-62-245, (S), in Laipenieks, [redacted] DO Records. (S)

the defection operation continue with Laipenieks in a lesser role. In the meantime, Laipenieks tried on his own to induce a Latvian-born Soviet athlete to defect in the fall of 1962. This independent plan, not approved by Headquarters, backfired, and the athlete exposed Laipenieks as an American agent. This "inept performance," CIA noted, had "seriously compromised his usefulness," and the Agency recommended that Laipenieks be used with "extreme caution."[44] (S)

Laipenieks lost his job at the University of Denver in the summer of 1963 and his contact with the CIA dwindled after that point. The Agency concluded that the KGB had controlled [redacted] throughout the period that Laipenieks had been in contact with him. CIA last heard from Laipenieks in 1968 shortly after the Olympic games in Mexico City.[45] By the mid-1970s, Laipenieks lived in San Diego, where he worked as a high school coach and gardener. (S)

The INS Opens an Investigation (U)

CIA played no role in Laipenieks' immigration to the United States nor did it have any relationship with the Latvian while he lived in South America. The Agency, however, had complicated matters after it made contact with Laipenieks in 1962. He admitted to his case officer at that time that he had failed to mention his wartime service

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[44]Quoted in "Rough Summary of CIA Operational Involvement with Edgars Laipenieks [redacted]," 20 October 1976, (S), in Laipenieks, [redacted] DO Records. (S)

[45]Ibid. (S)

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to INS officers. [ ] the CIA officer who debriefed Laipenieks in a California motel room in 1962, commented that "I couldn't advise him on this matter and that he should leave it to his conscience whether he should or should not report these facts" upon submitting his petition for citizenship. [ ] recommended that the Agency take no steps to report Laipenieks to the Immigration and Naturalization Service, and he even urged the Agency to process the Latvian under Public Law 110.[46] The Agency's failure to notify the Immigration and Naturalization Service about these issues later had serious ramifications.[47] (S)

The Laipenieks matter took a turn in 1973, when the Central Intelligence Agency answered with a "no derogatory" reply to an INS inquiry in support of deportation hearings against him. Two years later, Edgars Laipenieks wrote to the Agency asking for access to his records to fight his deportation. CIA filed this letter as a Freedom of Information Act request and informed Laipenieks of this action in April and May 1975.[48] The following year, CIA informed the INS that Laipenieks had written to

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[46] [ ] AESIDECAR/2, Background Information," 14 September 1962, (S), in Laipenieks, [ ] DO Records. (S)

[47] CIA did inspect Laipenieks' visa file at the State Department in 1962. The Agency's Office of Security expressed concern about his 1945 arrest by the French in Austria to see whether it had any impact on his immigration to the United States. See "Laipenieks, Edgars [ ]' 20 December 1962, attached to [ ], Deputy Director of Security to [ ], Office of General Counsel, "United States v. Edgars Laipenieks," 5 January 1981, in OGC Records, [ ] Box 2, Folder 24, CIA ARC. (U)

[48] In his May 1975 letter to Laipenieks, Robert S. Young, the Agency's Freedom of Information Coordinator, said "research on your case is still underway. The Agency appreciates your past cooperation, and we will notify you just as soon as we possibly can regarding any assistance we can provide." Robert S. Young, Freedom of Information Coordinator to Laipenieks, 5 May 1975, in OGC Records, [ ] Box 2, Folder 26, CIA ARC. (U)

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the Agency for assistance and that "a review of our files neither proves nor disapproves the allegations." The Agency told immigration authorities that Laipenieks had been associated with CIA from 1958 through 1967 to "assist us in assessing and developing targets of interest from Communist Bloc countries."[49] The INS subsequently told the Agency that the Latvian "is not amenable to deportation under existing laws."[50] This information prompted Gene F. Wilson, the Agency's Information and Privacy Coordinator, to write to Laipenieks in the summer of 1976 with the news that "we have now been told that you are 'not amenable to deportation under existing laws.' It is our understanding that INS has advised their San Diego office to cease any action against you." Wilson concluded his letter with the note that "if such does not prove the case, please let us know immediately. Thank you once again," Wilson added, "for your patience in this instance, and your past assistance to the Agency."[51] (U)

CIA's correspondence with Laipenieks soon became public knowledge in the fall of 1976 when Bob Dorn and Martin Gerchen of the San Diego *Evening Tribune* revealed that both the American and Israeli Governments suspected him of war crimes. Denying these reports, Laipenieks showed the three letters that he had received from the Central Intelligence Agency as part of his FOIA request. This prompted the journalists to

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[49]DDO to Gen. Leonard F. Chapman, Jr., Commissioner of Immigration and Naturalization, "Laipenieks, Edgars," 8 March 1976, in OGC Records, C]3, Box 2, Folder 26, CIA ARC. (U)

50 C]3, Interdepartmental Branch, Liaison Group, Operations Staff, Memorandum for the Record, "Laipenieks, Edgars," 28 June 1976, in OGC Records, C]3, Box 2, Folder 26, CIA ARC. (U)

conclude that the CIA "has intervened with the INS to stop proceedings against Laipenieks" because of his "past cooperation" and "assistance."[52] Bob Dorn raised the issue with DCI George Bush, when Bush visited Sacramento in November 1976. The DCI admitted to Dorn only that Laipenieks "had been of some use many, many years ago."[53] (U)

The Latvian Connection (U)

The furor surrounding the Laipenieks case coincided with mounting Congressional interest in the Nazi war criminal investigations. In October 1976, Reps. Eilberg and Holtzman of the House Immigration Subcommittee wrote the INS commissioner demanding information about CIA's intervention on behalf of Laipenieks.[54] Congressman Lucien N. Nedzi also asked the CIA to brief him about the

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[51]Gene F. Wilson, Information and Privacy Coordinator to Laipenieks, 20 July 1976, OGC Records, in OGC Records, [redacted], Box 2, Folder 26, CIA ARC. (U)

[52]Bob Dorn and Martin Gerchen, "County Man Branded as War Criminal," San Diego *Evening Tribune*, 14 October 1976, pp. A-1 and A-10; Martin Gerchen, "New Accuser Emerges in Latvia Case," San Diego *Evening Tribune*, 15 October 1976, pp. A-1 and A-10; and Bob Dorn, "Law Shields Laipenieks," San Diego *Evening Tribune*, 16 October 1976, pp. A-1 and A-3. (U)

[53]Bob Dorn, "CIA Denies Giving Aid to War Crimes Suspect," San Diego *Evening Tribune*, 30 November 1976, pp. A-1 and A-10. (U)

[54]Eilberg and Holtzman to Gen. Chapman, 15 October 1976, in OGC Records, [redacted] Box 2, Folder 26, CIA ARC. (U)

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Laipenieks case that same month.[55] While the Agency and the INS responded to Congressional concerns, pressure mounted for a full investigation.[56] (S)

The GAO paid particular attention to Laipenieks during its investigation as did the SLU, which asked to examine CIA's records on him and his cousin, Jakobs Laipenieks, in early 1979.[57] Later that year, the new Office of Special Investigations took up the Laipenieks case because the Holtzman Amendment now allowed the Justice Department to pursue those individuals who entered the United States under the 1952 immigration law. OSI also expressed great interest in examining the Agency's files on members of various Latvian collaborationist units. Without any explanation, OSI told the Agency that it had decided not to pursue the Laipenieks matter in October 1979.[58] (S)

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55 [redacted], Deputy Legislative Counsel, Memorandum for the Record, "Briefing of Chairman Lucien N. Nedzi (D. Mich.), Special Subcommittee on Intelligence, House Armed Services Committee, 19 October 1976, OLC 76-3035, in OGC Records, [redacted], Box 2, Folder 26, CIA ARC. (U)

56For the CIA's explanation of the events leading to the controversy, see Office of Legislative Counsel to William G. Miller, Staff Director, Senate Select Committee on Intelligence, "Edgars Laipenieks, ex-Latvian Intelligence Officer Accused of World War II Crimes," 16 November 1976, OLC 76-3329, (S), in OGC Records, [redacted], Box 2, Folder 26, CIA ARC. For Gen. Chapman's response to the House Immigration Subcommittee, see Chapman to Eilberg, 24 January 1977, CO 703.951, in the same job as above. In addition, Martin Gerchen, the San Diego reporter who broke the Laipenieks story, appealed to his Congressman in 1977 for a full investigation of the case. (S)

57 [redacted] to various CIA offices, "Name Trace and Records Search – Meir Katz, Lou Gleser, Arvid Lazdins, Jakobs (Jacobs) Laipenieks," 5 December 1978, OLC 78-3708, (S), and [redacted] to [redacted] "Edgars Laipenieks," 15 February 1979, OGC 79-01668, (S), both documents in OGC Records, [redacted], Box 2, Folder 26, CIA ARC. (S)

58George Parker, OSI to [redacted], 8 May 1979; [redacted] to various CIA offices, "Nazi War Criminal Investigations," 10 May 1979, OGC 79-04394; [redacted], IMS/FOIA, Privacy and Litigation Group to [redacted] "Meeting with Department of Justice Representatives re Nazi War Criminal Investigation," 24 July 1979, OGC 79-06889, (S), and [redacted], Deputy Director of Security to [redacted], "Department of Justice Investigation of Alleged Nazi War

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The Laipenieks case lay dormant until January 1980 when ABC Television announced that the CIA had intervened to prevent his deportation. OSI now opened its investigations of Laipenieks, Vilis Hazners, and a postwar Latvian group called the *Daugavas Vanagi*, (the "Hawks of the Dauvaga)."[59] The Agency searched its records for the various Latvian suspects and organizations and relayed its limited findings.[60] (S)

By the summer of 1981, OSI had enough evidence to initiate a deportation suit against Laipenieks for concealing and misrepresenting his activities between 1941 and 1943 and his arrest by French authorities in 1946.[61] Prior to taking this action, Ryan, perhaps mindful of the Soobzokov debacle, wrote to [redacted] in the CIA's Office of General Counsel seeking answers to various questions that had arisen during the reviews of Laipenieks' files at the Agency. Ryan closed with a question: Did CIA have

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Criminals," 7 August 1979, OGC 79-07397, (S), all documents in OGC Records, [redacted] Box 2, Folder 26, CIA ARC. (S)

[59]The INS charged Hazners as a member of a Latvian police organization and filed a deportation suit in 1977. SLU poorly handled the case, which was finally dropped by OSI in 1981. Ryan, *Quiet Neighbors*, pp. 60 and 355. For various memoranda and correspondence about OSI's request to examine CIA holdings on the *Daugavas Vanagi*, see OGC Records, [redacted] Box 1, Folder 12, CIA ARC. (U)

[60]Some of the documents uncovered include a suspected 1962 KGB-inspired Latvian publication, *Who Are the Daugavas Vanagi?*, which CIA translated for OSI in early 1981. The Agency also permitted OSI to examine 1945 and 1946 reports on SD agents in Latvia. In addition, the Agency uncovered some older material on postwar Latvian resistance and emigre activities and a translation of a pro-German Latvian encyclopedia article on the wartime *Lettische SS Freiwilligen Legion*. The Agency did not permit OSI to review its holdings on Latvian activities in Denmark in the late 1950s (supported by the Free Europe Citizens Service) relating to the *Daugavas Vanagi*. See [redacted] to [redacted] Acting Chief, FOIA Privacy and Litigation Group, "Request Traces on the Daugavas Vanagi," 21 November 1980, DOR-00236, (S), in DO Records, [redacted], Box 1, Folder 5, CIA ARC. (S)

[61]A copy of the charges in *US v. Edgars Laipenieks*, filed in San Diego on 2 June 1981, are attached in Ivars Berzins, Laipenieks' attorney to [redacted] 14 July 1981, in OGC Records, [redacted], Box 2, Folder 24, CIA ARC. (U)

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any "national security objections to the filing of the deportation proceedings against Edgars Laipenieks?"[62] [redacted], who had replaced [redacted] as the OGC attorney handling the Nazi war criminal cases assured OSI that "all relevant Agency documents on Laipenieks have been shown to your investigators.[63] (S)

In 1982, OSI took its case against Laipenieks before John C. Williams, a Federal immigration judge. After hearing extensive testimony (much of it videotaped depositions from witnesses in the Soviet Union about brutality at the Riga Central Prison), Judge Williams decided in June of that year that the Office of Special Investigations had failed to prove that Laipenieks had participated in war crimes. It was a setback for OSI, but the defeat did not reflect any discredit on the CIA in its efforts to assist the Department of Justice. The following summer, OSI won its case against Laipenieks when the Board of Immigration Appeals ruled that the Latvian should be deported to Chile for "clear and convincing evidence" that he had participated in political persecution during the war on behalf of the Third Reich.[64] The 9th US Circuit Court overturned this verdict in 1984 and, despite OSI's repeated efforts as late as 1988, Laipenieks remained in the United States. (U)

The Laipenieks case lasted over ten years–far longer than the Agency's relationship with the Latvian. The Agency did not do anything illegal, but it did highlight

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[62]Ryan to [redacted] 10 March 1981, OGC 81-01999, in OGC Records, [redacted], Box 2, Folder 26, CIA ARC. (U)

[63][redacted] to Ryan, 17 April 1981, OGC 81-03212, (S), in OGC Records, [redacted], Box 2, Folder 26, CIA ARC. (S)

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shortcomings within the Agency in handling and communicating information. The CIA's failure in 1962, for example, to notify the Immigration and Naturalization Service that Laipenieks had lied on his application for immigration later created problems. Similarly, the Agency's responses to his requests for information in the mid-1970s appeared overly friendly. Laipenieks exploited the Agency's letters to forestall deportation hearings, which sowed the perception that the CIA had actually intervened with the INS in the Latvian's favor. It was subsequently difficult for the Agency to explain its actions and to demonstrate that it had not assisted Laipenieks. (U)

The Laipenieks case showed that the Agency could provide OSI with crucial evidence without jeopardizing national security or its responsibility to protect sources and methods. Likewise, the CIA provided the Office of Special Investigations with full access to all "third agency" material contained in Laipenieks' records. The case marked an important step forward in broadening the working relationship between CIA and the Department of Justice. (U)

Bolschwing's Reappearance (U)

The Department of Justice scored another coup when it stripped Otto Albrecht Alfred von Bolschwing of his citizenship. As discussed in Chapter Ten, Bolschwing had been a major asset of the Central Intelligence Agency in the late 1940s and early 1950s.

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[64]Associated Press report, "San Diego Man Ordered Deported for World War II Activities," 15

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The Agency brought Bolschwing and his family to the United States in 1954, although it had little to do with him after that point. Bolschwing became an American citizen in 1959 and worked with various American companies in New York and California.[65] (U)

Following the arrest of Adolf Eichmann and his trial in Israel, the Central Intelligence Agency examined its records concerning the "architect of the Final Solution." [redacted] an expert on the Counterintelligence Staff, discovered that Bolschwing had played a larger role in the SS than he had admitted. At the same time, some of Bolschwing's former CIA case officers in Austria, including [redacted] wondered about their agent's claims. In 1961, [redacted] stated that one of Bolschwing's singleton agents had proved "fraudulent" following Bolschwing's departure to the United States.[66] The Agency, however, did not take any action against Bolschwing after the discovery of his false record beyond asking him to withdraw his application for a US government-sponsored position in India.[67] In 1963, Headquarters informed its German Station that Bolschwing, then in Europe, had no CIA connection.[68] (S)

September 1983, in OGC Records, [redacted] Box 2, Folder 24, CIA ARC. (U)

[65]For further information, see Kevin C. Ruffner, "Prussian Nobleman, SS Officer, and CIA Agent: The Case of Otto Albrecht Alfred von Bolschwing," *Studies in Intelligence* (1998), vol. 42, no. 1, pp. 61-77, now declassified. (U)

[66][redacted] to [redacted], "Inge von der Tann," [undated c. 1961], (S), in OGC Records, [redacted], Box 2, Folder 29, CIA ARC. (S)

[67]Gordon M. Stewart, Chief, Eastern Europe Division to DDP, "Otto Albrecht Alfred von Bolschwing," 10 May 1961, (S), in OGC Records, [redacted] Box 2, Folder 29, CIA ARC. (S)

[68]Cable, Headquarters to Frankfurt, DIR 70116, 19 September 1963, (S), in OGC Records, [redacted] Box 2, Folder 29, CIA ARC. (S)

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Bolschwing came to the attention of the Special Litigation Unit (SLU) in a circuitous manner. While investigating Valerian Trifa, a Romanian bishop, for his role as an Iron Guard leader during the war, attorney Eugene M. Thirolf inquiried about certain German officials posted to Romania in 1941. Thirolf requested information on Otto Albrecht Alfred von Bolschwing, a captain in the German SS and the SD's representative in Bucharest.[69] Thirolf's letter raised alarm bells in CIA because Bolschwing had an extensive record in the Agency. A quick review of these files by the CIA and Martin Mendelsohn, SLU's chief, revealed that Bolschwing "may not have been totally frank when he neglected to mention past membership in the Nazi Party" on applying for naturalization in 1959.[70] OGC's [redacted] warned in early March 1979 that an investigation of Bolschwing threatened the Agency because a preliminary examination of his records raised a number of "obvious questions" about his relationship with CIA over the years.[71] (S)

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[69] Thirolf to Anthony A. Lapham, OGC, 18 July 1978, CO 1421, with attachment dated 9 August 1978, in OGC Records, [redacted] Box 2, Folder 29, CIA ARC. Thirolf also sought information on Col. Boris T. Pash, a US Army officer detailed to CIA at various times, and two other Germans, Artur A. Konradi and Dr. Heinrich Graf von Meran. (U)

[70] [redacted] to Mendelsohn, 2 February 1979, OGC 79-01118, (S), in OGC Records, Box 2, Folder 29, CIA ARC. (S)

[71] For a discussion of the early aspects of this case, see [redacted] to General Counsel, "Otto Albrecht Alfred von Bolschwing–Possible Violation of 18 USC 1001 and 1015 (False Statements to the US Government)," 12 March 1979, (S). [redacted] added some comments to this memo in April 1979 that shed further information about the early Bolschwing investigation. See [redacted] to [redacted] "Attached Memorandum on Otto Albrecht Alfred von Bolschwing," 5 April 1979, (C), both documents in OGC Records, [redacted], Box 2, Folder 29, CIA ARC. (U)

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A New Campaign (U)

In early 1979, SLU launched a full investigation of Bolschwing's immigration and wartime activities in early 1977. Ironically, Mendelsohn had initially planned only to use Bolschwing as a witness against Trifa. Jeffrey Mausner took over the Bolschwing investigation for the new Office of Special Investigations in the summer of 1979 and continued to examine the Agency's holdings.[72] In November of that year, Mendelsohn approached CIA with several urgent questions regarding the Agency's affiliation with Bolschwing. In light of OSI's pending suit against Bolschwing, the Department of Justice was concerned whether CIA had any objections to the legal proceedings or if the German could blackmail the Agency. Mendelsohn also expressed uncertainty as to whether CIA officials might testify on Bolschwing's behalf in light of his close connection to the Agency.[73] (S)

In January 1980, representatives of CIA's Office of General Counsel and the Directorate of Operations held a meeting with the Office of Special Investigations to address Mendelsohn's questions. Speaking for the Agency, the DO's [redacted] said that CIA did not plan to assist Bolschwing in his defense, but that the Agency could

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[72]Mendelsohn to [redacted] 16 July 1979, OGC 79-06581; [redacted] to [redacted] 'Department of Justice Investigation of Alleged Nazi War Criminals–Otto Albrecht von Bolschwing," OGC 79-07460, 13 August 1979, (S); Mausner to [redacted] 22 August 1979, OGC 79-07895, (S); and [redacted] to Mausner, 26 October 1979, OGC 79-09696, (S), all documents in OGC Records, [redacted] Box 2, Folder 29, CIA ARC. (S)

[73]Mendelsohn to [redacted], 30 November 1979, OGC 79-10974, (S), in OGC Records, [redacted] Box 2, Folder 29, CIA ARC. (S)

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help OSI in bringing Bolschwing to trial. Given the fact that Bolschwing's knowledge of CIA operations was dated, [redacted] doubted that the Agency had to worry about any form of blackmail. [redacted] warned, however, that the Agency did not know what Bolschwing's case officer, [redacted] had told him when applying for a visa because [redacted] had died. Likewise, the DO noted that the INS had possessed an "auxiliary" file on Bolschwing at the time of his departure from Austria; neither CIA nor the INS, however, could locate these records.[74] (S)

Public pressure grew in 1980 after Simon Wiesenthal's *Dokumentationszentrum des Bundes Judisches Verfolgter des Naziregimes* in Vienna announced Bolschwing's presence in the United States.[75] Despite [redacted] verbal assurances in January 1980 that CIA had no objections to OSI's suit, the Agency failed to state this assurance in writing. Pressed by OSI's new director, Allan A. Ryan, Jr., for an answer to his office's letter of 30 November 1979 about Bolschwing, CIA did not respond until the summer of 1980. At that time, [redacted] attempted to clarify some of OSI's concerns about the Agency's views on this case and the availability of its records for use in court. He reiterated [redacted] point that "CIA has no objection to the initiation of proceedings against von Bolschwing. Indeed, our position on this matter is neutral, and our only interest is to

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[74] [redacted] Memorandum for the Record, "Meeting with Department of Justice Representatives on Alleged Nazi War Criminals Otto von Bolschwing and Tscherim Soobzokov," 17 January 1980, OGC 80-00581, (S), in OGC Records, [redacted], Box 2, Folder 29, CIA ARC. (S)

[75] Bulletin of Information No. 20, 31 January 1980, *Dokumentationszentrum des Bundes Judisches Verfolgter des Naziregimes*, in OGC Records, [redacted], Box 2, Folder 29, CIA ARC. In a routing sheet to OGC, [redacted] annotated, "FYI. It looks like the start of a campaign to get Von Bolschwing." (U)

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protect sensitive and classified information concerning our former relationship with von Bolschwing."[76] (S)

OSI still expressed anxiety about the Agency and its knowledge of Bolschwing's activities at the time of his immigration in the mid-1950s. A month after Ryan announced that OSI had to drop its suit against Tscherim Soobzokov because of the discovery of new evidence in CIA's files, Jeffrey Mausner, the OSI attorney handling the Bolschwing investigation, submitted an eight page letter to the Agency. He emphasized, "most of our cases are based on a claim that the defendant misrepresented his Nazi background at the time of his entry into the US or at the time of his naturalization. It is," Mausner wrote, "therefore important to know exactly what INS, State Department, and CIA knew about von Bolschwing at the time of his entry and naturalization." OSI asked that the CIA search its records for any "preliminary questionnaire" used by the State Department's consular office in Munich to process his visa application in the second half of 1953. Likewise, the Department of Justice asked the Agency to produce an expert witness to explain how the Alien Affairs Staff dealt with the Immigration and Naturalization Service in the 1950s. OSI clearly wanted to avoid a repetition of the Soobzokov debacle.[77] (S)

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[76]See Ryan to [redacted] 3 May 1980, OGC 80-0492, (S), and [redacted] reply, [redacted] to Ryan, 12 June 1980, OGC 80-04978, (S), both in OGC Records, [redacted] Box 2, Folder 28, CIA ARC. For background information about [redacted] response, see [redacted] to [redacted], "Department of Justice Questions concerning Otto von Bolschwing," 2 April 1980, OGC 80-02813, (S), in OGC Records, [redacted] Box 2, Folder 29, CIA ARC. (S)

[77]Mausner, "Otto von Bolschwing," 28 August 1980; and [redacted] to [redacted] 'Meeting with DOJ Representatives concerning their Investigation of Edgars Laipenieks and Otto von

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The Agency, however, could not satisfy many of OSI's requests because the passage of time had rendered it difficult to reconstruct the complicated twists involved with Bolschwing's immigration. Officers familiar with the work of the Alien Affairs Staff in the early 1950s had long since retired. While the Agency identified "third agency" material within its files and sent copies of these documents for review by the proper offices (including the State Department, Army, and the National Security Agency), CIA could not reconstruct the INS's supposed "auxiliary" file on Bolschwing.[78] (S)

Meeting a Former Agent (U)

OSI interviewed Otto von Bolschwing at his home in California in early 1981. Represented by his son, Golman V. von Bolschwing, [redacted] and [redacted] from the Central Intelligence Agency also attended the meeting. After

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Bolschwing," 2 September 1980, OGC 80-07543, (S); Note to [redacted] 'Otto von Bolschwing," [undated]; and [redacted], Director of Security to [redacted] "Department of Justice Request re Nazi War Criminals Investigation of Otto Albrecht von Bolschwing," 19 September 1980, OGC 80-08078, (S), all documents in OGC Records, [redacted], Box 2, Folder 28, CIA ARC. (S)

[78]At the conclusion of Bolschwing's project in Austria in 1954, the CIA had 55 reels of microfilm of his reports with an additional 10 reels of indexes dating back to 1948. In addition to his large 201 file, extensive records on Bolschwing collected by the Salzburg Operations Base survive as [redacted] nd are now filed as DO Records, [redacted], Boxes 9, 13, and 14, CIA ARC. See also Memorandum for Record, [redacted], Records Integration/Project Officer, "GROSSBAHN Files [redacted]," 16 January 1956, in Bolschwing, [redacted] DO Records. The microfilm material is located in DO/IMS, Central Files Branch. The identity and location of the "auxiliary" file remains a mystery. OSI reviewed Bolschwing's 201 file, but it is uncertain if the investigators saw any of the Austrian project files or Bolschwing's microfilm records. [redacted]

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discussing procedural issues, Golman ("Gus") von Bolschwing did most of the talking. He called OSI's actions in his father's case "hypocrisy" because the Government knew the details of Bolschwing's life before his arrival in the United States. "And so I wonder as I sit here," the younger Bolschwing asked, "does the means justify the end? Do two wrongs make a right? It is just as difficult for my father at this point to prove his case, to disprove pieces of paper that are now forty years old, as it was for certain individuals who did try to do justice and to find and to prosecute Germans when there were no living witnesses or it was very hard to obtain living witnesses." Subsequent questioning by OSI's Mausner confirmed that Bolschwing's memory about his membership in the Nazi Party and the SS was fragile.[79] (U)

The Office of Special Investigations nevertheless filed its suit against Bolschwing in late May 1981 in the US District Court for the Eastern District of California. Bolschwing faced three counts of procuring his citizenship in 1959 through willful misrepresentation when he failed to declare his membership in the Nazi party, the SS, the SD, and the RSHA, all organizations declared criminal by the International Military Tribunal at Nuremberg. The court ordered the former German officer to appear at the US Attorney's office in Sacramento for deposition and to provide all records, photographs, or other documents from 1932 to 1945.[80] (U)

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[79]Sullivan to [redacted] 13 February 1981, OGC 81-01452, enclosing Sworn Statement of Otto Albrecht Alfred von Bolschwing, A8-610-051, 2 February 1981, in OGC Files, [redacted] Box 2, Folder 25, CIA ARC. (U)

[80]*US v. Otto Albrecht Alfred von Bolschwing*, Civil Action S-81-308 MLS, United States District Court, Eastern District of California, 27 May 1981. See also *US v. Bolschwing*, Notice of Taking

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A New Twist (U)

Bolschwing offered a new defense in a Sacramento newspaper shortly after OSI filed its charges. He now claimed that he had actually served as a "secret agent" for the Office of Strategic Services during the war. "It's not true," Bolschwing said, that "I never served in the SS or Gestapo or SD (the intelligence branch of the SS). I did serve in the OSS for the Americans, and I did parachute into Austria." According to Bolschwing, "it was dangerous work in Germany (for the Americans)." In a separate statement, Bolschwing confided that he had even met William J. Donovan, later director of OSS, in New York prior to the outbreak of World War II. Allan Ryan, speaking for OSI, immediately denounced Bolschwing's statement. "What he said is not true. Our case relates from the middle 1930s through the war, and during that period he was not a double agent for the US or anything like that. He was not affiliated in any way with the US Government."[81] (U)

Deposition, 5 June 1981, both documents in OGC Records, [redacted] Box 2, Folder 25, CIA ARC. OSI apparently dropped the charge of willful misrepresentation but retained the immoral conduct charge. See [redacted] to [redacted], "United States v. Otto Albrecht von Bolschwing," 29 May 1981, in DO Records, [redacted] Box 1, Folder 6, CIA ARC. (C)

[81]Ryan to [redacted] 11 June 1981, OGC 81-05212, enclosing "Alleged Nazi Denies Federal Charge, Says He Spied for US," *San Francisco Chronicle*, [c. May 1981], in OGC Records, [redacted], Box 2, Folder 25, CIA ARC. Bolschwing repeated this assertion in the *New York Times*. See "Man, 71, is Ordered to Reply to Charge of Serving the Nazis," *New York Times*, 29 July 1981, p. A13. CIA denied that Bolschwing had any connection with Donovan or the OSS. See [redacted] to Ryan, 18 August 1981, OGC 81-07107, in OGC Records, [redacted] Box 1, Folder 4, CIA ARC. (U)

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Like many of OSI's cases, the Bolschwing suit presented numerous legal complications. Bolschwing's attorneys and his son requested security clearances to speak with him about his relationship with the CIA during the postwar years. Likewise, the defense wanted access to all government records pertaining to Bolschwing, which delayed the case because neither OSI nor CIA were prepared to comply. OSI insisted that Bolschwing could mount a defense using only those government records relevant to the court case. This prompted Bolschwing's attorney, Arthur J. Ruthenbeck, to tell the media in September 1981 that "my hands have been tied . . . . I'm just trying to get authorization for my client to talk with me." He added, "we're in a real Catch-22 situation. One arm of the government prosecutes the case and another says you can't talk to your client."[82] (U)

[redacted] of the Office of General Counsel saw this situation in a different light. She told Ruthenbeck "Your hypothetical inability to represent your client based upon your perception of unknown contractual limitations similarly suggests a desire to infuse this litigation with premature issues."[83] Bolschwing, according to both OSI and CIA, was free to discuss all issues with his attorney although the Department of Justice stipulated that classified material could not be discussed outside of the courtroom. (U)

In the meantime, Bolschwing's health continued to deteriorate. At the behest of OSI, [redacted] prepared a classified affidavit to support the Government's motion for a

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[82] S. Lynne Walker, "Accused Nazi's Defense Hampered by CIA Order Not to Talk, Attorney Says," Sacramento *Union*, 10 September 1981. See also Ruthenbeck to Smith, 10 September 1981, in OGC Records, [redacted], Box 2, Folder 25, CIA ARC. (U)

[83] [redacted] to Ruthenbeck, 21 September 1981, OGC 81-08314, in OGC Records, Job 85-00903R, Box 2, Folder 25, CIA ARC. (U)

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protective order. [redacted], the DO's Information Review Officer (IRO), cited the need to protect critical national security information from unauthorized disclosure as well as to protect confidential sources. The IRO commented that the "DO files concerning Von Bolschwing contain extensive information on intelligence methodology in use by CIA." The Agency, [redacted] asserted, "cannot, on the public record in this litigation, acknowledge the existence of such information without jeopardizing the sanctity of classified information."[84] (S)

Case Closed (U)

CIA's efforts turned out to be unnecessary. In late 1981, Allan A. Ryan, Jr., OSI's director, announced that Otto Albrecht Alfred von Bolschwing had voluntarily surrendered his American citizenship after admitting his membership in various Nazi organizations. Ryan agreed that the aging Bolschwing, diagnosed with a "progressive neurological condition," could remain in the United States until his health improved enough to permit deportation. He also noted that the consent decision, offered by Bolschwing's defense, "was made by this Office in consultation with higher authorities in the Department of Justice and was not reviewed by, or submitted for the approval of, any

[84]See [redacted] to Neil Sher, Deputy Director, OSI, 6 November 1981, enclosing [redacted], Affidavit, *US v. Bolschwing*, (S), in OGC Records, [redacted], Box 2, Folder 25, CIA ARC. (S)

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other government agency."[85] The Bolschwing case ended in March 1982 when Bolschwing died at the age of 72 of progressive supranuclear palsy.[86] (U)

By the end of 1981, the Central Intelligence Agency had worked with the Department of Justice in three major Nazi war criminal investigations: Tscherim Soobzokov, Edgars Laipenieks, and Otto Albrecht Alfred von Bolschwing. The Agency also enabled OSI to complete name trace requests on hundreds of immigrants in the United States. The Directorate of Operations, the Office of Security, and the Office of General Counsel spearheaded CIA's efforts with OSI. The Agency struggled to protect national security interests while meeting its legal obligations to support OSI. Despite some rough spots, the partnership was successful as the Agency and OSI learned how to cooperate. The nature of the Nazi war criminal investigations grew even more controversial during the 1980s. (U)

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[85]See "Statement of Allan A. Ryan, Jr., Director, Office of Special Investigations," with annotated comments, in OGC Records, [ ] Box 2, Folder 25, CIA ARC. (U)

[86]"Otto von Bolschwing; Ex-Captain in Nazi SS," *New York Times*, 10 March 1982, p. B-5. (U)

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Chapter Seventeen

In the Shadow of the Cold War (U)

The Nazi war criminal investigations labored under the shadow of the Cold War. When the Office of Special Investigations reached an agreement with Soviet authorities in 1980 to interview witnesses and collect evidence behind the Iron Curtain, doubts arose concerning the motives behind Soviet cooperation.[1] Many ethnic groups, especially those from the Baltic States and other Eastern European countries, blasted OSI as a tool for Soviet KGB disinformation activities to discredit anticommunists living in the United States by affixing the "fascist" label on groups that resisted Moscow's oppressive rule. They directed vehement protests against Allan A. Ryan, Jr., OSI's director, for his work in fostering cooperation with the Soviet regime and his description of the Ukrainian role during World War II in his 1984 book, *Quiet Neighbors*.[2] (U)

During the 1970s and the 1980s, the Central Intelligence Agency grew increasingly aware of the importance that Soviet intelligence placed on "active measures." The KGB, in fact, had a branch in the First Chief Directorate dedicated to

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[1]For a discussion of OSI's agreement with the Soviets, see Ryan, *Quiet Neighbors*, pp. 65-93. (U)

[2]Examples of emigre writings against OSI are seen in National Confederation of American Ethnic Groups, Inc., *Victory Without Fear: A Response to OSI's "Nazi Hunting" Experiment* (Irvington, N.J.: n.p., 1985), and various articles in Boshyk, ed., *Ukraine during World War II*. (U)

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employing front groups, media manipulation, disinformation, forgeries, and agents of influence to promote Soviet foreign policy goals. The Soviets also sought to discredit the American government in the eyes of world opinion and to undercut international support of the United States. As a result, the Nazi war criminal investigations became drawn into the larger arena of US-USSR competition.[3] (U)

Konstantin Hanff (U)

Even before the establishment of the Office of Special Investigations in 1979, the Central Intelligence Agency questioned the relationship between the Nazi war criminal investigations and the disinformation activities of the Warsaw Pact intelligence services. One case, that of Konstantin Hanff (also known as Konstanty Zygfryd Hanff), threatened to embroil the United States and Poland in a diplomatic squabble. Hanff, of mixed Polish-German background, was born in the Polish village of Czestochowa in 1926 and immigrated to the United States in 1969. According to later statements to the FBI, Hanff lived in Poland until the outbreak of the war, when he moved to Lithuania. He then worked in Warsaw and Berlin and served in the German Army on the Eastern Front.

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[3]The CIA exposed the KGB's efforts in Congressional hearings while the State Department also publicized examples of deliberate disinformation attempts. See US Congress, House. Permanent Select Committee on Intelligence. *Soviet Active Measures*. 97th Cong., 2nd sess., 13-14 July 1982, and various special reports, foreign affairs notes, and bulletins issued by the Department of State. For a discussion of Soviet targeting against emigre groups, see Herbert Romerstein and Stanislav Levchenko, *The KGB Against the "Main Enemy:" How the Soviet Intelligence Service*

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Hanff deserted in 1944 but was arrested and sentenced to two years imprisonment. The Germans soon placed Hanff in a special rehabilitation unit and returned him to frontline duty. In the spring of 1945, he fell into Soviet hands and, thereafter, he assisted the Russians in spreading anti-German propaganda. The NKVD later apprehended Hanff for anticommunist sentiments and held him until his return to Poland in early 1948. Following his release, Hanff worked throughout Eastern Europe in numerous private and governmental bodies, primarily in the import-export business. In mid-1969, at the age of 43, Hanff, his wife, and one son obtained immigrant visas and moved to the United States, where they took up residence in New York City.[4] (S)

A Threat to US-Polish Relations (U)

While holding an assortment of jobs, Hanff, a translator, had other goals in mind. In September 1975, he published his first issue of *Wolna Polska*, or "Free Poland," the voice of an anticommunist group, "Combat Organization Free Poland."[5] In this paper, Hanff listed the names of alleged Polish, Czech, and Soviet intelligence officers stationed in the United States under diplomatic cover. In addition, Hanff tried to influence various

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Operates Against the United States (Lexington: DC Heath and Company, 1989), pp. 308-318. (U)

[4]Hanff's brief autobiographical statement is found in various excerpts of FBI reports in OGC Records, [redacted], Box 1, Folder 13, CIA ARC. Hanff's CIA personality file is quite extensive. For further details, see Konstanty Zygfryd Hanff, [redacted] DO Records. (S)

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Warsaw Pact officials to defect. These activities incensed the Polish Government to the point that the Foreign Minister complained to the American ambassador in March 1976. The State Department noted that "the message was clear to the Ambassador that retaliation of some kind is possible unless Poles are convinced soon that Department takes their concern seriously and that everything possible will be done to meet their demands." By June of that year, the Hanff affair threatened to upset the American secretary of state's visit to Poland. (S)

The Poles had, in fact, already checked Hanff's financial support among the Polish emigre communities in both New York and Chicago. At the same time, the first indications of Polish disinformation efforts appeared in the United States. In early April 1976, the Zionist Organization of America received an anonymous letter that claimed that Hanff had served as a Nazi informer in 1941 and, later, had participated in war crimes in eastern Poland. While Hanff denied these allegations to the FBI, he did not curtail his anticommunist activities. On the contrary, he continued his work and even registered as an American agent of the Polish Government-in-Exile in London in the summer of 1976. This act once again led the Polish Government to protest Hanff's presence in the United States and increased Polish suspicions that Hanff worked for American intelligence.[6] (S)

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[5]For a chronology of the Hanff case, see [ ] Office of Technical Service to [ ], OGC, "Technical Assistance for US Attorney's Office, New York," 7 April 1978, QDL 51-78, (S), in OGC Records, [ ] Box 1, Folder 13, CIA ARC. (S)

[6]William H. Webster, the FBI director, asked the Director of Central Intelligence in early 1979 if "Hanff was ever employed or had his activities directed by the Central Intelligence Agency." The Agency replied that "an intensive search of the files and indices . . . reveals no evidence of any contact or association between Subject and this Agency." See Webster to DCI, "Unknown

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Hanff's publications and his own suspected forgeries raised concern within the State Department, the FBI, and the CIA. The Poles took Hanff's threats seriously and began to retaliate in kind by spreading doctored copies of a "Free Poland Special Report Nr 3," which published a "black list of dangerous CIA and FBI agents." Consequently, in the spring of 1977, the State Department asked the Justice Department to examine Hanff's wartime activities and ascertain the validity of war crimes allegations. The US District Attorney's Office in New York had already located several witnesses in Israel who claimed that Hanff had helped select Jews for extermination camps. The FBI also had an informant who said that he had seen a photograph of Hanff in an SS uniform. (S)

CIA's Technical Assistance (U)

In early 1978, [redacted], the chief of CIA's Questioned Documents Laboratory in the Office of Technical Service, became involved in the Hanff case after he received a call from the US District Attorney's Office in New York.[7] In a meeting with

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Subjects; Mailing of Forged Letters on Polish Consul General Stationery in New York City; Protection of Foreign Officials-Harassment-Subversive," 1 February 1979, in DO Records, [redacted], Box 1, Folder 1, CIA ARC. The Agency's reply is found in DDO to Director, FBI, "Unknown Subjects; Mailing of Forged Letters on Polish Consul General Stationery in New York City; Protection of Foreign Officials-Harassment-Subversives," [undated], (S), in OGC Records, [redacted], Box 1, Folder 6, CIA ARC. (S)

[7]Born in 1928, [redacted] had served with the Counter Intelligence Corps in Austria in the early 1950s. He later worked with [redacted] as a document technologist when he transferred to the CIA. He received his Ph.D. [redacted] and retired from the Agency in 1982. [redacted]

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Harry Batchelder, Jr., the assistant US attorney, [redacted] reviewed the 1976 letter to the Zionist Organization of America and its three photocopies of German wartime documents, which had implicated Hanff. Batchelder wanted [redacted] to determine if the documents were accurate or if they were Soviet/Polish forgeries implicating Hanff with war crimes. After receiving permission from the Office of General Counsel, [redacted] agreed to undertake a technical examination pending further approval for any expert testimony in court. (S)

After performing his examination of the three photocopied documents, [redacted] concluded in April 1978 that Hanff was a victim of a disinformation effort on the part of the Polish intelligence service. He recommended that CIA have no further involvement with this case "unless there could be a definite showing that Hanff was the proper subject of Agency interest." [redacted]'s assessment, confirmed by the Office of General Counsel later that spring, reinforced the Agency's belief that Hanff "seems to be a political entrepreneur involved in imaginative intelligence intrigues."[8] (S)

Despite [redacted] technical advice about the German documents, the US District Attorney's Office and later the Office of Special Investigations insisted on pursuing the Hanff case, especially after he petitioned for naturalization. In the spring of 1978, the Justice Department asked the CIA to interview [redacted]

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also Interview with [redacted] by [redacted], 16 July 2001, transcript and tape in Oral History project, CIA History Staff. (S)

[8]David S. Brandwein, Director, OTS to [redacted], OGC, "Assistance to US Attorney, New York, by [redacted]," 11 April 1978, OGC 78-2349, (S), in OGC Records, [redacted], Box 1, Folder 13, CIA ARC. (S)

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[redacted][9] [redacted], lived in New York and had worked with Hanff to publish the names of Polish intelligence officers. [redacted] of OGC and [redacted] of the DO interviewed [redacted] in mid-April 1978 in order to determine the extent of his involvement with Hanff. [redacted] acknowledged that he had assisted Hanff, whom he described as a "survival artist," and that he had seen wartime photographs of Hanff in a German uniform. [redacted] agreed that the timing of the allegations about Hanff's wartime service "could not be dismissed as accidental." Based on this interview, [redacted] and [redacted] felt that [redacted] should speak directly with the US attorney's office in New York.[10] (S)

The New York district attorney's office determined in mid-1979 that it lacked sufficient evidence to proceed in prosecuting Hanff.[11] In August 1980, [redacted] in OGC provided OSI and the US Attorney's office of the Southern District of New York with a list of third-agency material in CIA's files pertaining to Hanff.[12] Later in 1981,

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[9]Philip Wilens, Chief, Government Regulations and Labor Section, Criminal Division, Department of Justice to [redacted] OGC, "Konstanty Hanff," 14 April 1978, OGC 78-2417, (C), in OGC Records, [redacted], Box 1, Folder 17, CIA ARC. (C)

[10][redacted] Memorandum for the Record, "Denaturalization Proceedings against Konstanty Hanff," 9 May 1978, OGC 78-3017, (C); see also [redacted] Memorandum for the Record, "Denaturalization Proceedings against Constanty Hanff," 18 April 1978, OGC 78-2470, (S), both in OGC Records, [redacted], Box 1, Folder 17, CIA ARC. (S)

[11][redacted], Memorandum for the Record, "Konstantin Hanff and Tscherim Soobzokov," 3 July 1979, OGC 79-06165, (S), and [redacted] OGC to [redacted] "Konstantin Hanff and Tscherim Soobzokov," 3 August 1979, OGC 79-07123, (C), both in OGC Records, [redacted], Box 1, Folder 13, CIA ARC. (S)

[12][redacted] to Ryan and Thomas Belote, Assistant US Attorney, Southern District of New York, 25 August 1980, in Hanff, [redacted], DO Records. (U).

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the CIA [redacted] met with Hanff as a possible source of current information on Polish political developments.[13] Interestingly, a defector told the CIA in 1990 that Hanff was the target of a disinformation campaign by the Polish Ministry of Interior. Aleksandr Makowski, a press counselor and the Ministry of Interior resident, was credited as planning the attacks against Hanff. Makowski served in New York at the United Nations from 1976 to1981, during the height of the Hanff investigations.[14] This case highlights the complicated dimensions of the Nazi war criminal investigations and the difficulties that Federal investigators and agencies faced in bringing war criminals and collaborators to justice. (S)

Defectors as Experts on Disinformation (U)

Concerns about Soviet disinformation activities and the reliability of witnesses and evidence from the USSR increased as the Office of Special Investigations expanded its caseload. The CIA's sources of information about life behind the Iron Curtain became increasingly important in cases dealing with former residents of Eastern Europe. Both Justice Department prosecutors and defense attorneys wanted to question defectors

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[13]DCD/[redacted] to Director, "Operational Lead (Poland)," 6 April 1981, [redacted] 39600, IN 6181194, (S), in Hanff, [redacted] DO Records. (S)

[14]Counterintelligence Information Report, "MSW Covert Action Operation Against Polish Emigre Journalist (fnu) Hamff," 22 March 1990, SBCI-6504, (S), in Hanff, [redacted] DO Records. (S)

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from various Warsaw Pact regimes who possessed insights about Soviet operations against various emigre groups in America. (U)

[ ], who provided information in 1978 about Konstantin Hanff, is the first known defector to participate in the Nazi war criminal investigations in the United States. Several years later, Imants Lesinskis, a Latvian-born defector from the KGB, submitted depositions in the cases of Vilis Hazners, Karl Linnas, and Liudas Kaiyrs. Lesinskis bolstered defense attempts to allege that the Soviets wanted to smear anticommunist groups as pro-Nazi organizations. The Central Intelligence Agency, [ ] coordinated interviews with Lesinskis. [ ]

[ ].[15] (S)

As early as the fall of 1978, Ivars Berzins, a lawyer active in the Latvian-American community, learned about Lesinskis and sought his testimony in the case of Vilis Hazners. The Immigration and Naturalization Service had filed charges in 1977 against Hazners for his service in a Latvian police unit. Lesinskis claimed personal knowledge of the KGB's efforts to frame Hazners. To accommodate Berzins's request, Martin Mendelsohn of the Special Litigation Unit and [ ] of the Office of

[15]Various memoranda concerning [ ] Lesinskis are found in OGC Records, [ ], Box 1, Folder 18, CIA ARC. (S)

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General Counsel arranged for both the defense and prosecution to interview the KGB defector.[16] (C)

Three years later, Berzins again wanted to interview Lesinskis about his knowledge of Soviet disinformation campaigns directed against immigrants in the United States in the case of Karl Linnas.[17] The Justice Department had accused Linnas, an Estonian, of running a concentration camp and murdering inmates. The court supported Berzins's new request, and [redacted] in the Office of General Counsel arranged with CIA's Domestic Collection Division for a meeting at the Federal courthouse in St. Louis in early June 1981. Berzins had Lesinskis provide a sworn deposition in which he outlined his work with the KGB in discrediting Latvian emigre organizations.[18] (S)

David E. Springer, attorney for Liudas Kairys, filed a subpoena for all documents pertaining to his client, including evidence of Soviet disinformation activities and the

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[16] According to the signed memorandum of agreement, the three attorneys "agree that Mr. Leshinskiy's [sic] appearance in open court, or exposure to the public or the public media, would be unnecessary and possibly hazardous." Berzins, [redacted] and Mendelsohn, "Memorandum of Agreement," 18 October 1978, (C), in OGC Records, [redacted] Box 1, Folder 18, CIA ARC. (C)

[17] [redacted], Memorandum for the File, "OSI/DOJ Request for Briefing re: Imants Leshinskis," 30 March 1981, OGC 81-05153, OGC Records, [redacted] Box 1, Folder 18, CIA ARC. (U)

[18] *US v. Karl Linnas*, "Deposition of Imants Lesinskis," 3 June 1981, OGC Records, [redacted] Box 1, Folder 18, CIA ARC. See also [redacted] IMS/FPLG, Memorandum for the Record, "Meeting in St. Louis, Missouri to Interview and Depose Defector Imants Lesinskis," 8 June 1981, (S), in DO Records, [redacted] Box 1, Folder 6, CIA ARC. Prior to the deposition, CIA and OSI debriefed Lesinskis in St. Louis in April 1981. See [redacted], Chief, IMS/FPLG, "Meeting with Imants Lesinskis," 24 April 1981, (S), in DO Records, [redacted] Box 1, Folder 6, CIA ARC. (S)

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alteration of fingerprint files.[19] Springer's request led eventually to a deposition of Imants Lesinskis in April 1982 to discuss his role with the Latvian Society for Cultural Relations of Foreign Countries. Lesinskis highlighted for Springer the KGB's efforts to discredit Latvians who opposed the Soviet regime. Although Kairys was actually Lithuanian, Lesinskis offered his opinion that Soviet deception methods were similar throughout the Baltic States. The Soviets, he claimed, wanted to undermine support for the various nationalist movements by tainting all anticommunists as fascist supporters or war criminals. "I would not attribute any validity at all to any Soviet documents or Soviet witness testimony," Lesinskis declared.[20] (U)

Lesinskis's depositions did have some influence on the outcome of the Hazners case, which the Board of Immigration Appeals dismissed for lack of evidence in 1981. In the case of Linnas, the court revoked his citizenship and ordered his deportation in 1984. Allan A. Ryan, Jr., the director of OSI, fiercely denied that American judicial proceedings were corrupted in any manner by the use of Soviet evidence or witnesses. "The Soviets have never attempted to tell OSI who to investigate. They do not send us unsolicited information; they respond to our inquiries," Ryan asserted in his 1984 book. (U)

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[19] *US v. Liudas Kairys*, "Deposition Subpoena to Testify or Produce Documents or Things," Civil Action File No. 80 C 4302, 6 May 1981, OGC 81-03777, in OGC Records, [redacted] Box 1, Folder 7, CIA ARC. (U)

[20] *US* v. *Liudas Kairys*, "Deposition of Imants Lesinskis," 9 April 1982, in OGC Records, [redacted] Box 1, Folder 7, CIA ARC. (U)

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Valerian Trifa (U)

The depositions of Imants Lesinskis were conducted in relative isolation without public intrusion. Both the Central Intelligence Agency and Lesinskis himself desired this in order to protect his safety. In the case of Orthodox Archbishop Valerian Trifa, who had been a leader in the Romanian Iron Guard during the war, the presence of a Romanian defector became a major issue between the Archbishop's defense attorney and the Federal government. John J. Sibisan, Trifa's lawyer, raised the matter with President Ronald Reagan in the fall of 1982, protesting that Ion Pacepa, a former general and deputy head of the Romanian intelligence service, had admitted to Sibisian that Pacepa's information had been withheld by OSI in a "smear campaign against the religious leader of 100,000 Orthodox people of Romanian descent in this country."[21] (U)

Sibisan's letter naturally unleashed a flurry of activity in the White House, the Office of Special Investigations, and the Central Intelligence Agency. The Agency and OSI, in fact, had interviewed two Romanian defectors, Ion Pacepa and Nicholae Horodinca, about their knowledge of alleged efforts by the Romanian Government to

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[21]Sibisan to President Reagan, "Archbishop Valerian D. Trifa," 14 October 1982, 107625, in OGC Records, [redacted], bos 2, Folder 30, CIA ARC. Pacepa, a lieutenant general and head of Romania's Department of Foreign Information (DIE), later wrote a book, *Red Horizons,* in 1987. For further information abouyt Pacepa's postdefection activities, see Alison Mutler, "Romanian Court Acquits Former Spy Chief; Ruling Viewed as Attempt to Impress NATO," *Washington Times*, 8 June 1999, op.A15. (U)

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falsify evidence concerning Trifa.[22] Because the US Government had not yet publicly acknowledged that it had given sanctuary to the Romanians, the CIA preferred to integrate OSI's questions during the Agency's routine debriefings of both men. As a result, OSI did not initially conduct a personal interview, although [redacted] of OGC offered this alternative if the debriefings provided any particular details. As a result of the Agency's interrogations, [redacted] reported that both men considered Trifa to be a war criminal, but that they also believed that the Romanian regime had taken steps to fabricate evidence to be used against him in American courts. [redacted] told OSI that both men were willing to speak with the Justice Department and to examine documents in an attempt to identify the doctored evidence.[23] OSI's interest in the Romanian defector diminished following Trifa's "voluntary" surrender of his citizenship and his subsequent appeal.[24] This move delayed the case for nearly two years. (U)

In preparing a response to Sibisan's charges, OSI's Richard Sullivan consulted with [redacted] of the Agency's Office of General Counsel. [redacted], in turn, received guidance from the Directorate of Operations, which had debriefed Pacepa two years earlier using [redacted] information. D. Lowell Jensen, Assistant US Attorney

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[22]The following documents contain material pertinent to the debriefings: [redacted], Memorandum for the Record, "Request to Interview Romanian Defectors by Office of Special Investigations, DOJ," 16 June 1980, OGC 80-05083, (S); Charles B. Renfrew, Deputy Attorney General to Frank Carlucci, DDCI, 2 July 1980, OGC 80-06031, (S); [redacted] to Ryan, 15 July 1980; [redacted] to Ryan, 24 July 1980, OGC 80-06378, (S); and Ryan to [redacted] 1 August 1980, (S), all documents in OGC Records, [redacted], Box 2, Folder 30, CIA ARC. (S)

[23] [redacted] to [redacted] "Defector Interviews in *US v. Trifa*," [undated], in OGC Records, [redacted] Box 2, Folder 30, CIA ARC. (U)

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General in charge of the Criminal Division, told Trifa's attorney in December 1982 that "your statement that Department of Justice attorneys withheld information favorable to Archbishop Trifa is flatly untrue." Jensen then informed Sibisan of the circumstances surrounding the interviews. "When Department of Justice attorneys became aware in 1980 that a Romanian defector purported to have information on an alleged campaign to discredit Trifa through false evidence, steps were immediately taken to ascertain the truth of the matter. These steps," Jensen said, "revealed that the defector had no reliable information concerning Archbishop Trifa or any alleged attempts by any person or government to use falsified evidence against him."[25] (U)

OSI's Range of Interests in the CIA (U)

As OSI's caseload expanded in the early 1980s, the Department of Justice and various defense attorneys expressed interest in interviewing current and former Agency employees, who either possessed special knowledge about postwar Europe or about specific individuals. As seen in the Bolschwing and Soobzokov investigations, CIA case officers could answer key questions and resolve missing gaps in the records. Unfortunately, Bolschwing's primary case officer had died before the investigation

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[24] [redacted] to [redacted], "Nazi War Criminal Investigations–Valerian Trifa," 3 September 1980, OGC 80-07551, in OGC Records, [redacted], Box 2, Folder 30, CIA ARC. (U)

[25] A draft copy of this letter, Jensen to Sibisan, [undated], appears in OGC Records, [redacted], Box 2, Folder 30, CIA ARC. For the circumstances surrounding CIA's approval in the

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commenced, while Soobzokov's CIA contact failed to provide insights into the origins of the State Department documents in the Agency's files. In other cases, such as the Hanff investigation, [redacted], a current employee, assisted Federal authorities with his expert knowledge of Soviet disinformation practices. (S)

While the CIA preferred to remain in the background of the Nazi war criminal investigations, there were moments when Agency officials stepped into the limelight. In February 1979, the CIA transferred to the National Archives a series of aerial photographs taken of the Nazi death camp at Auschwitz-Birkenau by Allied reconnaissance aircraft in 1944 and 1945. At a press conference, two analysts from CIA's National Photographic Interpretation Center described what they had learned from the photographs, which had been stored in a Federal archival facility since the end of World War II. Viewed in the light of hindsight, the photographs revealed activities on the ground at Auschwitz-Birkenau, including concentration camp inmates standing in line for the gas chambers. [26] Dino A. Brugioni and Robert G. Poirier prepared a study, "The Holocaust Revisited," which President Jimmy Carter presented to Elie Wiesel, a

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wording, see [redacted], Memorandum for the Record, "Nazi War Criminal Prosecutions–Valerian Trifa," 17 December 1982, OGC 82-11182, in the same job as above. (U)

[26] Quotation appears in Thomas O'Toole, "'44 Photos Showed Auschwitz Camp," *Washington Post*, 23 February 1979, pp. A-1 and A-26. For other press coverage, see "Photos of Auschwitz Extermination Unit Produced," *New York Times*, 24 February 1979, p. A-2; Daniel F. Gilmore, "View of a Death Camp–35 Years Later," Boston *Sunday Globe*, 25 February 1979, pp. 29-30; and Lora Sharpe, "City Man Helped Interpret Auschwitz Photo," New Bedford (Massachusetts) *Standard Time*, 4 March 1979. (U)

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prominent survivor of the Nazi death camps. CIA's Brugioni hailed wartime overhead imagery as "an untapped source of history."[27] (U)

The Office of Special Investigations occasionally interviewed CIA officials as a part of a formal investigation. Allan A. Ryan, while leading the Klaus Barbie investigation in 1983, requested traces on several retired Agency employees in order to arrange for interviews.[28] As a part of the initial stage of the Trifa investigation, which broadened into the Bolschwing case, the Special Litigation Unit contacted the CIA in the summer of 1978 for information pertaining to Col. Boris T. Pash. INS investigators suspected that Colonel Pash had "a strong influence" on Trifa's entry into the United States and his rapid rise within the ecclesiastical ranks of the Romanian Orthodox Church.[29] (U)

Pash, whose father served as the Metropolitan of the Russian Orthodox Church in America during the 1940s, joined the Office of Policy Coordination as a military detailee

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[27]The article, "The Holocaust Revisited: A Retrospective Analysis of the Auschwitz-Birkenau Extermination Complex," by Dino A. Brugioni and Robert G. Poirier appeared in *Studies in Intelligence*, 22 (Winter 1978), pp. 11-29. OSI continued to express interest in CIA's capability to interpret aerial photographs. In 1981, Neal Sher, OSI's acting director, asked that Poirier analyze a massacre site in the Soviet Union and provide some technical assistance in the prosecution's case against Albert Deutscher. The Department of Justice also considered having Poirier testify in the trial of Hans Lipschis in 1982 concerning his concentration camp guard duties. See Neal M. Sher, OSI, to Stanley Sporkin, OGC, 23 June 1981, OGC 81-05356, and Sher, OSI, to Sporkin, OGC, 22 December 1981, OGC 81-10990, both in OGC Records, [redacted], Box 2, Folder 31, CIA ARC. See also various memoranda concerning Lipschis case in OGC Records, [redacted] Box 1, Folder 3, CIA ARC. (S)

[28]Ryan to [redacted], OGC, 6 May 1983, OGC 83-03816, (S), in DO Records, [redacted], Box 12, Folder 128, CIA ARC. CIA name traces to OSI's requests are also included in this folder. (S)

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in 1949. He served with OPC in the Far East, Washington, and in Austria until his return to the Army in 1952. Pash had a long record in intelligence activities, having commanded the Alsos Mission at the end of the war. As the Third Reich crumbled, Pash's Alsos task force located German scientists with knowledge about atomic research in order to keep them from passing the information to the Soviets. Pash continued his intelligence activities after leaving OPC and had a wide range of contacts. The Agency, however, could not determine whether Colonel Pash—whose name had been publicized in the course of the Church Committee hearings in 1975—had any official or unofficial relationship with Trifa.[30] (U)

The Office of Special Investigations grew interested in the Agency for other reasons. The fact that CIA had a number of employees who had initially served in the Army Counter Intelligence Corps in postwar Europe proved a valuable resource. In addition, many of the Agency's early employees had immigrated to the United States from Eastern and Southern Europe and possessed native fluency and familiarity with the countries behind the Iron Curtain. OSI focused most of its investigations on this region of the world because it had been the scene of many of the worst Nazi atrocities. Indeed,

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[29]Eugene M. Thirolf, SLU to Anthony A. Lapham, OGC, "*United States* vs. *Trifa* 5-70924," 18 July 1978, CO 1421, OGC 78-4754, in OGC Records, [redacted], Box 2, Folder 30, CIA ARC. (U)

[30][redacted], Office of Legislative Counsel to [redacted] "Name Trace and Records Search–Colonel Boris T. Pash," 12 September 1978, OLC 78-4034/1, (C), in OGC Records, [redacted], Box 2, Folder 30, CIA ARC. For further information of his wartime activities, see Boris T. Pash, *The Alsos Mission* (New York: Award House, 1969). (C)

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the United States had accepted hundreds of thousands of Europeans as displaced persons in late 1940s and the 1950s, including untold numbers of former Nazi collaborators. (U)

OSI Looks at [redacted]

The Special Litigation Unit first expressed interest in [redacted] a retired CIA counterintelligence officer, when he testified on behalf of Vilis Hazners, the Latvian resident alien in New York accused of membership in a collaborationist *Schutzmannschaft* during the war.[31] [redacted] later served as a witness at the denaturalization hearings for Karl Linnas and Karlis Detlavs. In all cases, [redacted] spoke on Soviet disinformation practices. His testimony to and affiliation with the CIA concerned SLU and OSI, because [redacted] left the impression that he enjoyed official sanction. This led the Department of Justice to make inquiries about [redacted] service in the Agency. (U)

Born [redacted] arrived in New York [redacted] Once in America, he changed his name and worked in [redacted] until joining the Army in 1943. [redacted] served in the CIC in Europe, where he located Nazi scientists for Operation PAPERCLIP. Following his discharge from military service, [redacted] remained as a civilian instructor at the Army's counterintelligence school at Fort

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31 [redacted] testimony in this case is found in [redacted] "In the Matter of Vilas A. Hazners before Hon. Anthony M. DeGaeto, Immigration Judge," 1 May 1978," in DO Records, [redacted], Box 8, Folder 159, CIA ARC. (U)

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Holabird in Baltimore, Maryland. In January 1949 he accepted a position with [redacted] in Hamburg [redacted] The CIA in Germany recruited [redacted] in early 1951 to serve as an Intelligence Officer in the Foreign Division S, Baltic Section.[32] (S)

[redacted]

[32]For further details on [redacted]

[33]Mr. Vedeler to Mr. Joyce, "Activities of [redacted], an Employee of CIA," 23 August 1951, (S), in DO Records, [redacted] Box 13, Folder 128, CIA ARC. This document, and Joyce's memorandum to Wisner below, were located in State Department records. See [redacted] Classification Review Division to [redacted] Information Services, "Review at State of Material Possibly Containing Information on Klaus Barbie," (C), in the same job as above. (S)

[34]Joyce to Wisner, [redacted]," 29 August 1951, in DO Records, [redacted] Box 13, Folder 128, CIA ARC. (U)

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[redacted] joined the Agency's Counterintelligence Staff, where he handled defector cases and became CIA's expert on Nazi records.[35] [redacted] biggest success came after the Israelis arrested Adolf Eichmann in 1960, when he uncovered the fact that Otto von Bolschwing, one of the Agency's top agents in Austria after the war, had actually worked with Eichmann in the 1930s. His review of captured German records revealed the extent of Bolschwing's duplicity; [redacted] duly reported this information to his superiors in CIA. (S)

[redacted] retired from CIA in 1976, two years before he came to the attention of the Special Litigation Unit. As a result of his testimony, Martin Mendelsohn, SLU's chief, requested that the CIA provide him with an unclassified summary of [redacted] Agency service to assist in "evaluating his veracity and competence as an opposition defense witness in Government hearings."[36] In May 1980, Allan A. Ryan, Jr., OSI's

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[35]Between 1956 and 1960, [redacted] directed the review of some 1,500,000 pages of captured German documents under the Agency auspices. [redacted] and his team checked the German records for counterintelligence leads which, in some cases, were incorporated into CIA's own records. Some of the German material, [redacted] notes, and [redacted] progress reports are found in DO Records, [redacted], Box 1, and [redacted] Boxes 1-9, CIA ARC. (S)

[36][redacted] to Director of Personnel et al, "Justice Department Request for Data on [redacted]," 5 February 1979, OGC 79-01171, in DO Records, [redacted], Box 8, Folder 159, CIA ARC. Mendelsohn believed that [redacted] may have sponsored Hazners's immigration to the United States, although [redacted] denied in court that he knew of the Latvian. See [redacted], Memorandum for the Record,

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director, sought further details about [redacted] role in raising money for Latvian exile groups. Drawing its conclusions from State Department correspondence, OSI believed that [redacted] may have recruited war criminals while working for the Army and, later, for the Displaced Persons Commission.[37] (S)

OSI's interest in [redacted] increased after he testified about the Latvian Waffen SS at the deportation hearings of Karlis Detlavs, a Latvian accused of belonging to the Auxiliary Security Police.[38] Ryan believed that [redacted] had committed perjury, and he pressed the Army for information about his CIC employment. This request came back to the CIA, prompting concerns about OSI's procedures. "We find it less than courteous and of considerable concern," wrote [redacted] of the DO, "that the DOJ is requesting information on a former CIA employee without any notification to the Agency."[39] (U)

The Agency arranged to have [redacted] meet with OSI investigators to discuss "several items of interest" in the fall of 1980.[40] Nearly two years later, [redacted] again

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"Testimony of [redacted] " 4 May 1978, (S), and [redacted] to Chief, Security Analysis Group, [redacted] " 16 May 1978, (S), both in DO Records, [redacted]

[37]Ryan to [redacted] OGC, 6 May 1980, OGC 80-03905, (S), in OGC Records, [redacted], Box 1, Folder 15, CIA ARC. (S)

[38]Sheridan Lyons, "Ex-CIA Man Blames Soviets for Detlavs Charge," Baltimore *Sun*, 9 February 1979, p. C1-5. (U)

[39][redacted] to [redacted], "Department of the Army Request for Coordination of CIA Records Requested by the Department of Justice, Office of Special Investigation," 12 May 1980, in DO Records, [redacted], Box 8, Folder 159, CIA ARC. (U)

[40]OSI, in fact, did meet with [redacted] in October 1980, with CIA officials also in attendance, to discuss his work in compiling captured German war records and ferreting out Otto von Bolschwing's connection to Eichmann. See [redacted], Memorandum for the Record, "Nazi

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came up in conversation between CIA and OSI. The Department of Justice now had specific, if obtuse, questions about [redacted] past, including his religious affiliation, language proficiency, the circumstances surrounding his mother's death, and his postretirement work with the Agency.[41] The Office of General Counsel answered all of these questions in the summer of 1982; after that point, OSI's interest in [redacted] dwindled. He died nine years later. (U)

CIA's Crucial Role in the Investigations (U)

[redacted] proved to be the exception to the rule. The Office of Special Investigations never investigated any other member of the Central Intelligence Agency for illegal action or conduct. In fact, OSI even hired [redacted], a retired CIA officer and native of Latvia, in 1981 for his knowledge of the Baltic region and languages. During the course of the Barbie investigation, Ryan interviewed several retired Agency officers for their activities with CIC in the late 1940s and early 1950s. The Department of Justice, however, has never pressed charges against any CIA employee, current or retired, for actions taken on behalf of any Nazi war criminal or collaborator. (U)

OSI drew on CIA's wealth of talent and resources.[42] By the early 1980s, the Office of Special Investigation and the Central Intelligence Agency operated a fairly

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War Criminals," 16 October 1980, in DO Records, [redacted], Box 1, Folder 4, CIA ARC. (U)

[41] [redacted] mother, for example, died in 1941 of "Communist atrocities." (U)

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smooth system of conducting name traces, which, for the most part, avoided controversy or public inquiry. While there were occasional delays due to communication problems between the two organizations, as well as other demands imposed upon CIA's records managers, it became apparent that the Agency played a key role in the Nazi war criminal investigations.[43] This relationship, due in large part to Allan Ryan's almost daily contact with CIA's Office of General Counsel, soon faced a severe test. John Loftus, an attorney on Ryan's staff, pursued his own conspiracy theories, which tested the CIA's patience. His subsequent claims on a national television program and the publication of his book brought renewed Congressional interest into the Agency's past. From 1981 to 1987, the Nazi war criminal investigations occupied a significant part of the Central Intelligence Agency's resources in a series of well-publicized cases. *The Belarus Secret* marked a new chapter in the Nazi war criminal investigations. (U)

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[42]It also appears that a member of the Special Litigation Unit cooperated with CIA in providing information about Soviet officials. See various memoranda in DO Records, [redacted] Box 1, Folder 1, CIA ARC. (S)

[43]The Department of Justice complained about CIA's lengthy responses to its name trace requests in early 1982. See D. Lowell Jensen, Assistant Attorney General, Criminal Division, to Sporkin, OGC, 4 March 1982, OGC 82-02269; see also Sporkin to Jensen, 15 March 1982; [redacted] to Jensen, 14 May 1982, OGC 82-04740; Jensen to Sporkin, 29 June 1982, OGC 82-06286; and Sporkin to Jensen, 9 July 1982, all in OGC Records, [redacted] Box 1, Folder 3, and Box 2, Folder 31, CIA ARC. (U)

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NAZI WAR CRIMES DISCLOSURE ACT
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Chapter Eighteen

Belorussians, *60 Minutes*, and the GAO's Second Investigation (U)

The news exploded in the national headlines in May 1982. A CBS *60 Minutes* television report appeared to offer conclusive evidence that the Central Intelligence Agency and other US Government agencies, including the Army, the State Department, and the FBI, had employed Nazi war criminals and brought them to the United States after the war. These same agencies, according to the broadcast, also covered up their role in dealing with Nazi war criminals during the General Accounting Office investigation from 1977 to 1978. The *60 Minutes* segment, "The Nazi Connection," aired on national television on 16 May 1982 and ignited a firestorm. (U)

John Loftus devoted his brief career in the Office of Special Investigations to pursuing theories involving American intelligence and Eastern European collaborators. He joined OSI in 1979 and focused on the relationship between a particular faction of Nazi collaborators, those from Belorussia, or White Russia, and their presence in the United States in the years after the war. In a five-page letter to OGC's [redacted] the CIA liaison to the Office of Special Investigations, Loftus outlined his knowledge of the Nazi "Belarus" unit and its members.[1] (S)

FOR COORDINATION WITH DoJ/OSI

[1] John J. Loftus, OSI to [redacted] OGC, "Nazi War Crimes Investigation–BELARUS File," 31 July 1979, (S), in OGC Records, [redacted] Box 1, Folder 10, CIA ARC. (S)

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Loftus's July 1979 letter served as the basis for his actions over the next few years. In his correspondence with [redacted] Loftus requested access to CIA records to determine the validity of his three hypotheses. His "best case hypothesis," as Loftus described it, would reveal that "no Belarus conspiracy" existed and that the Office of Strategic Services had no connection with the White Russian collaborators either during or after the war. In this case, Loftus believed that the fact that Emanuel Jasiuk, one of the key Belorussian figures, had provided intelligence to the United States after the war would be simply coincidental. Consequently, prosecution of the Belorussian collaborators in the United States would be relatively straightforward and not involve national security interests.[2] (S)

On the other hand, Loftus's two other hypotheses involved significant ties among the Belorussians, their Nazi supporters, and the United States Government. His "worst case hypothesis," in fact, projected that the [existence of the] Belarus net had existed with the help of OSS. In order to ascertain the depth of American involvement, Loftus requested a search through CIA records for a number of individuals and groups, including Jasiuk, John Awdziej, Radislaw Ostrowsky, Frank Kushel, George Sabolewski, John Kosiak, and Dr. Nicholas Scors. All of these men had belonged to the White Russian Council and later immigrated to the United States.[3] (S)

The Loftus letter prompted [redacted] to search through Agency components for information on the various names and organizations–the first of many searches that CIA

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[2]Ibid. (S)

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conducted on Loftus's behalf.[4] Loftus followed up this request with another in August, seeking indexes to German records that may have ended up in CIA's possession. He also desired information concerning the American Committee for the Liberation from Bolshevism that, according to Loftus, funded the Belarus group during the Cold War.[5] While it appears that [redacted] did not pursue this latter request, he did obtain some results from Agency offices, primarily the Office of Security, concerning Loftus's July memorandum. CIA's Office of Security found scattered references in its files to two of the Belarus figures.[6] (S)

The Hunt for the Belarus Files (U)

The Agency never formally answered Loftus's July or August 1979 memoranda. In fact, in November, the Agency returned Loftus's correspondence to Martin

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[3]Ibid. (S)

[4][redacted] to Executive Secretary et al, "Nazi War Criminal Investigation–Belarus SS and Emanuel Jasiuk," OGC 79-07322, (S), in OGC Records, [redacted], Box 1, Folder 10, CIA ARC. (S)

[5]Loftus to [redacted], "Nazi War Crimes Investigations: Belarus," 10 August 1979, OGC 79-07473, (C), in OGC Records, [redacted] Box 1, Folder 10, CIA ARC. (C)

[6][redacted] Deputy Director of Security, to [redacted] "Nazi War Criminals Investigation–Belarus SS and Emanuel Jasiuk," 24 August 1979, (S). The Directorate of Operations did not respond directly to [redacted] memorandum because it claimed that it needed legal advice on providing information on US citizens to other government agencies. See [redacted] IMS/FOIA Privacy and Litigation Group to [redacted] Chief, OG/External Inquiries Research Section, "Department of Justice Inquiry–Nazi War Criminal Investigation - Belarus SS and Emanuel Jasiuk," 31 August 1979, OGC 79-08050, both documents in OGC Records, [redacted], Box 1, Folder 10, CIA ARC. (S)

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Mendelsohn at OSI.[7] The arrival of Allan A. Ryan, Jr., OSI's new director in the spring of 1980, rejuvenated the Belarus investigation. On 7 April, Ryan provided the CIA with an expanded list of suspects to be reviewed. "We are particularly looking for information," the new director stated, "which discusses the subjects' activities and memberships in the quisling government of Byelorussia during Nazi occupation." In addition, Ryan sought "any information which tends to establish a connection between these subjects and certain Russian emigre groups which collaborated with the western allies in various postwar attempts to establish intelligence systems in the subjects' country of origin."[8] (S)

Following Loftus's earlier lead, Ryan also took up the matter of access to indices pertaining to World War II records in CIA's possession. Ryan placed particular importance on a name or place index for the *Einsatzgruppen*, the German SD, and any material collected after the war by the Gehlen Organization. He also sought OSS intelligence reports and any postwar refugee interview programs operated by the Office of

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[7] [redacted], Associate General Counsel to Martin Mendelsohn, OSI, 6 November 1979, OGC 79-10070, (C), in OGC Records, [redacted], Box 1, Folder 10, CIA ARC. A discussion with [redacted], now retired from CIA, reveals that OGC underwent a tremendous expansion in terms of its workload and personnel in 1979. The Nazi war criminal investigations consumed a large amount of time and resources that were not necessarily always available. Requests, such as Loftus's Belarus case, did not receive the highest priority; consequently, it took months to respond in some cases. Discussion with [redacted], 6 June 1995. (C)

[8] Ryan to [redacted] OGC, 7 April 1980, OGC 80-03057, (S), in OGC Records, [redacted], Box 1, Folder 10, CIA ARC. (S)

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Policy Coordination or the military. OSI planned to use the indices to find the original records for its investigations.[9] (U)

The pace picked up in the summer of 1980 when Richard Sullivan, OSI's assistant deputy director, told [redacted] OGC's new liaison with OSI, that the Belorussians had top priority with OSI.[10] At a meeting on 21 July, John Loftus claimed that information from other sources indicated that the CIA had an interest in a number of the Belorussian individuals and groups.[11] [redacted] who still had not received the full results of the name traces that Ryan had asked for in April, could not answer whether allegations of Agency involvement would have any impact on OSI's judicial proceedings.[12] (S)

By the beginning of August, [redacted] had enough information from the Agency's files to share with Loftus. In a meeting on 5 August 1980, [redacted] reviewed the name trace results, which demonstrated that, while the CIA had files on some of the

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[9]Ryan to [redacted], 20 May 1980, in DO Records, [redacted] Box 1, Folder 3, CIA ARC. (U)

[10]Handwritten notes of a 25 July 1980 discussion between [redacted] and Sullivan reveal OSI's interest in the Belorussians. (U)

[11]See [redacted] to [redacted], Chief, IMS/FPLG, and [redacted], OS/SAG, "OSI Investigation of Byelorussian Subjects," 24 July 1980, in DO Records, [redacted], Box 1, Folder 3, CIA ARC. Loftus apparently referred to copies of CIA documents in Displaced Persons Commission records regarding the immigration of certain Belorussians. Copies of these DPC documents are found in [redacted] to [redacted] "Additional Information Concerning OSI Name Trace Request–Byelorussia [sic]," 31 July 1980, (S), in DO Records, [redacted], Box 1, Folder 3, CIA ARC. (S)

[12]The DO, in fact, did not start its name traces on the 17 Belorussians (including 10 that had been traced before) until 18 July 1980. See [redacted], IMS/FOIA, Privacy and Litigation Group, to [redacted], Chief, IMS/Operations Group, External Inquiries Research Section, "Request Traces on Ten Byelo-Russians [sic]," 18 July 1980, (S), in DO Records, [redacted], Box 1, Folder 3, CIA ARC. (S)

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Byelorussians, actual contact was limited.[13] The Agency, however, still could not provide Loftus with copies of the files, and the Department of Justice pressed CIA to hasten its review.[14] In the meantime, Loftus told [redacted] in September that OSI planned to file suit against five of the Belorussians "in the near future."[15] Loftus finally reviewed nine of the sanitized files at CIA's headquarters by early October.[16] (S)

Growing Doubts (U)

By this point, the CIA began to wonder about Loftus's methodology and ultimate goals. As early as August, [redacted] from the DO had expressed his concerns to [redacted] in OGC that Loftus had a "clear misunderstanding of the early structure of CIA." In an effort to assist Loftus, [redacted] contacted Richard Sullivan at OSI to schedule a

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[13]See handwritten note dated 5 August 1980 by [redacted] concerning [redacted] notes on the files in DO Records, [redacted], Box 1, Folder 3, CIA ARC. [redacted] actual notes are attached and are also located in OGC Records, [redacted] Box 1, Folder 10, CIA ARC. (U)

[14][redacted] to [redacted] and [redacted], Office of Security, "OSI Request for Information on Byelorussian [sic] War Criminals," 11 September 1980, in DO Records, [redacted], Box 1, Folder 3, CIA ARC. (U)

[15][redacted] to [redacted], OGC, "OSI Investigation of Byelorussian [sic] War Criminals," 22 September 1980, in OGC Records, [redacted] Box 1, Folder 10, CIA ARC. (U)

[16]For copies of Loftus's notes from these visits, see [redacted], OGC, to Sullivan, OSI, 3 October 1980, OGC 80-08547, (S), and [redacted] to [redacted] "OSI Notes on Alleged Nazi War Criminals," 6 October 1980, (S), both in DO Records, [redacted], Box 4, Folder 1, CIA ARC. Loftus had already reviewed the DO's files on Radislaw Ostrowsky in August. See [redacted] to Sullivan, 25 August 1980, OGC 80-07331, (C), in OGC Records, [redacted], Box 1, Folder 10, CIA ARC. (S)

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briefing on CIA's historical antecedents.[17] The Agency, in addition, grew worried that Loftus's inquiries about the anticommunist group, the NTS, could affect the CIA's ongoing relationship with that organization.[18] (S)

Loftus tipped his hand to [redacted] of the DO's Information Management Staff in late October 1980 while reviewing sanitized documents about the Belorussians. [redacted] then reported that Loftus had told her that the Army's Counter Intelligence Corps had withheld derogatory information from the Immigration and Naturalization Service when a number of the Belorussians came to the United States. At the same time, some of these Belorussians, according to Loftus, gained employment with Radio Liberty in Germany, then under CIA sponsorship. Consequently, Loftus believed, that the CIA must have been aware of the records of the White Russians, although this information had somehow been "deliberately removed" from the Agency's files. Loftus alleged that Frank Wisner and certain CIC officers who later joined OPC had perpetrated this purge of the two files.[19] (U)

Loftus had already informed his superiors within the Department of Justice, and he expected that his research would result in expanded Congressional interest. In order to ascertain the truth behind his theories, Loftus asked [redacted] for more records on a

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17 [redacted] to [redacted] 22 August 1980, (C), in DO Records, [redacted] Box 1, Folder 3, CIA ARC. (C)

18 [redacted], IAD/CAS/SOI, to [redacted], "DOJ/OSI Investigation of Belorussian Emigres," 19 September 1980, (S), in DO Records, [redacted] Box 1, Folder 3, CIA ARC. (S)

19 [redacted], Memorandum for the Record, "Department of Justice Investigation of Nazi War Criminals," 28 October 1980, in DO Records, [redacted], Box 1, Folder 4, CIA ARC. (U)

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number of organizations supported by CIA during the 1950s.[20] [redacted] superiors recognized that the Belarus case had "the potential for another mudslinging contest vs. us" and recommended immediate action.[21] [redacted] chief of the Information Management Staff, notified the acting Deputy Director for Operations about Loftus's findings. "If Mr. Loftus is correct in his observations," [redacted] warned, "it is going to require a great amount of work within the DO to ferret out information requested on alleged Nazi war criminals." [redacted] added "Mr. Loftus' statement that information was deliberately removed from the files and that Frank Wisner was involved with others in this deception is a serious allegation."[22] (C)

At another meeting in early November 1980, Loftus reiterated his claims that the Agency could be held criminally liable if it had not informed immigration authorities about the information within its files on the Belorussians. Loftus presented a new list of questions about one Belorussian, Stanislau Stankievich, and demanded that CIA provide answers within a week.[23] Loftus's demands prompted the Agency, both within the DO and OGC, to determine how it should deal with the larger issues presented by the various Belorussian groups and Radio Liberty. The DO, in fact, expressed its willingness to

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[20] Ibid. (U)

[21] "Official Routing Slip" attached to above-cited document signed by "SBE" (probably [redacted] acting deputy chief of the Freedom, Privacy and Litigation Group). (U)

[22] [redacted], Chief, Information Management Staff to Acting Deputy Director for Operations, "Department of Justice Investigation of Alleged Nazi War Criminals," 29 October 1980, DO/IMS 80-498, (C), in DO Records, [redacted], Box 1, Folder 4, CIA ARC. (C)

[23] [redacted] Memorandum for the Record, "November 5 Meeting with John Loftus of OSI Re: Dr. Stanislau Stankevich, OSI No. 374/11," 7 November 1980, OGC 80-09679, (S), in DO Records, [redacted] Box 1, Folder 5, CIA ARC. (S)

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allow Loftus to review its records at CIA headquarters after signing a secrecy agreement. The Office of General Counsel came to the same conclusion as the DO.[24] (S)

A Low-Key Approach (U)

Agency officers would soon have second thoughts. By early December, [redacted] reported that the DO had identified some 80 files pertaining to Loftus's inquiries.[25] But events were beginning to convince the Agency that Loftus's Belarus investigation perhaps reflected a personal agenda. When Loftus told [redacted] in late October about his theories regarding Wisner, he also stated that OSI could reimburse CIA for the additional research costs entailed by his investigation. As it turned out, [redacted] in speaking with Loftus's supervisor, Richard Sullivan, learned that he had extended this

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[24] [redacted] to [redacted], OGC, "Mr. John Loftus' (DOJ) Review of DO Materials," [undated draft secrecy agreement], in DO Records, [redacted], Box 1, Folder 5, CIA ARC. See also [redacted], Memorandum for My Files, "Meeting with [redacted], [redacted], [redacted], and [redacted] re: OSI Request for Radio Liberty Operational Files, 6 November 1980," 10 November 1980, (S); and [redacted] to [redacted] "OSI/DOJ Request for Access to Radio Liberty and Other Related Operational Files," 13 November 1980, OGC 80-09786, (C), all in OGC Records, [redacted], Box 1, Folder 5, CIA ARC. The latter document contains a list of all the Belorussian organizations that Loftus wanted CIA to check. The DO subsequently transmitted this information for traces in [redacted] IMS/FOIA, Privacy and Litigation Group, to [redacted] IMS/Operations Group, "Department of Justice Request for Information on Key Byelorussian [sic] Organizations," 14 November 1980, (S), in DO Records, [redacted], Box 1, Folder 5, CIA ARC. (S)

[25] [redacted] to Chief, ALD, "Request for Information on Dr. Stanislau Stankevich from Mr. John Loftus, OSI/DOJ," 9 December 1980, OGC 80-10579, (S), in OGC Records, [redacted] Box 1, Folder 5, CIA ARC. (S)

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offer without OSI's approval.[26] At the same time, OGC's [redacted] found that Mark M. Richard, Deputy Assistant Attorney General, knew nothing of Loftus's theories. Richard promised to corroborate Loftus's claims with the director of the Office of Special Investigations and report his findings to the CIA. As a result of these developments, [redacted] recommended that the Agency maintain a "low-key" approach in responding to Loftus's demands.[27] (C)

Despite growing uncertainty about Loftus, the Agency continued to search its records in response to his far-reaching requests. In mid-January 1981, the DO completed its traces on the various Belorussian groups. After a meeting between OGC and OSI on 19 January 1981, Allan A. Ryan, Jr., confirmed that Loftus had properly submitted his lengthy request. Ryan wanted to avoid the problems that OSI had recently encountered during the Soobzokov suit. "The Office of Special Investigations is seeking this information," Ryan noted, "only to determine whether the CIA's prior knowledge or actions will affect litigation to denaturalize citizens who misrepresented their backgrounds at the time they applied for visas and American citizenship." Ryan also

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[26] [redacted] to [redacted] "OSI/DOJ Request for Access to Radio Liberty and Other Related Operational Files," 13 November 1980, OGC 80-09786, (C), in OGC Records, [redacted] Box 1, Folder 5, CIA ARC. (C)

[27] [redacted], Memorandum for the Record, "Nazi War Criminals Case," 24 November 1980, in DO Records, [redacted], Box 1, Folder 5, CIA ARC. (U)

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added 13 more questions, which included requests for information on some 20 different Eastern European wartime and postwar groups.[28] (S)

[redacted] replied to Ryan's letter in March with some surprise. [redacted] explained that the Agency had identified some 3,500 separate files dealing with Radio Free Europe and Radio Liberty, for instance, and explained that the new questions would be tough to answer. "It had been my hope," the OGC attorney wrote, "that it would be possible to have Mr. Loftus, armed with a more focused and much redacted list of questions," to speed up the investigation. Instead, as [redacted] saw it, Ryan and Loftus had made the investigation more complicated.[29] In further meetings, Loftus insisted that the Agency had more information in its files than CIA's records managers could find.[30] (S)

The Belarus Secret (U)

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[28]Ryan to [redacted] 27 January 1981, OGC 81-00778, (S), in DO Records, [redacted], Box 1, Folder 6, CIA ARC. Notes of this meeting are found in [redacted], "19 January 1981 Meeting," in OGC Records, [redacted], Box 1, Folder 4, CIA ARC. (S)

[29][redacted] to Ryan, 13 March 1981, OGC 81-02066, (S). The DO's reaction is found in [redacted] to DDO, "Department of Justice Investigation of Alleged Nazi War Criminals," 2 April 1981 (later sent under a 17 April 1981 date), (S), both documents in DO Records, [redacted], Box 1, Folder 6, CIA ARC. (S)

[30]Loftus insisted that the CIA had the "Gehlen files," although the Agency claimed not to have found anything in its records, and it promised to keep searching at meetings with Loftus on 25 and 27 March 1981. See [redacted], Memorandum for the Record, "Alleged Nazi War Criminals –DOJ Investigation," 27 March 1981, and [redacted], Memorandum for the Record, "Nazi War Criminals - Meeting with OSI/DOJ," 26 Match 1981, both in DO Records, [redacted] Box 1, Folder 6, CIA ARC. See also [redacted], "25 March 1981 Meeting," 13 April 1981, (S), in OGC Records, [redacted], Box 1, Folder 4, CIA ARC. Loftus also checked on the "Gehlen files" in other government repositories. [redacted], Memorandum for the Record, "OSI Investigation of

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The Belarus case took an unusual turn when OGC learned that John Loftus had resigned from OSI on 22 May 1981. [redacted] the CIA attorney handling the Nazi war criminal investigations, consequently urged the DO and the Office of Security to halt their "fairly extensive" searches, with the exception of the name traces on the 17 Belorussians. [redacted] soon learned that Loftus planned to return to private practice in Boston and hoped to complete his book on the Belorussians by October 1982. Loftus told [redacted] that "I think that the book will reflect well on the CIA. I am finally convinced that CIA really had nothing to do with the Nazi smuggling rings in Germany."[31] (S)

Loftus soon provided the Agency with a copy of his first five chapters. [redacted] looked at them and found they contained no classified material.[32] In August, the Agency finished its security review of Loftus's manuscript and asked for clarification on several matters. [redacted] urged her colleagues to "please advise Mr. Loftus that no attempt has been made to correct any of the factual inaccuracies in his manuscript." The Agency's review did not constitute "acceptance, acknowledgment or approval of the contents," the Directorate of Operations cautioned.[33] (S)

Alleged Nazi War Criminals," 9 April 1981, in DO Records, [redacted] Box 1, Folder 6, CIA ARC. (S)

[31]Loftus to [redacted] Routing and Transmittal Slip, 8 June 1981, OGC 81-04878, in DO Records, [redacted], Box 1, Folder 6, CIA ARC. (U)

[32] [redacted] Memorandum for the Record, "Draft Chapters of 'BELARUS' by John Loftus," 15 June 1981, in DO Records, [redacted], Box 1, Folder 6, CIA ARC. (U)

[33]Correspondence concerning the classification review of the Loftus manuscript is found in [redacted] to [redacted] "Review of the John Loftus Manuscript 'Belarus'," 3 August 1981, IMS/FPLG-81/29, (S); Loftus to [redacted] [undated]; and [redacted] to [redacted] "Review of the John Loftus Manuscript 'Belarus,'" 21 August 1981, IMS/FPLG-81/63; all documents in DO Records, [redacted], Box 1, Folder 6, CIA ARC. See also [redacted] to Mark M. Richard,

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While the Agency may have felt relief over Loftus's departure, the spring of 1982 brought a new development. In an effort to promote the upcoming release of his book, *The Belarus Secret*, Loftus took his story to *60 Minutes*, the respected CBS Television news series seen by millions of Americans every Sunday evening. In a segment broadcast on 16 May 1982, Loftus summarized his main theories. He claimed that "State Department intelligence" had smuggled Nazi war criminals and collaborators into the United States after World War II. Using the Belorussians as an example, he stated that the Office of Policy Coordination, under Frank Wisner and Allen Dulles, had directed the effort to form secret armies to fight communism behind the Iron Curtain.[34] (U)

According to Loftus, the State Department, in conjunction with the US Army and the Displaced Persons Commission, participated in a smuggling operation between Europe and the United States. Many of the Belorussians, he said, settled in South River, New Jersey. Radio Free Europe and Radio Liberty in West Germany also sheltered pro-Nazi figures.[35] Loftus also charged the Army with trying to conceal its relationship with several Belorussians as late as the 1977-78 General Accounting Office investigation. *60*

Deputy Assistant Attorney General, Department of Justice, 21 September 1981, OGC 81-08098, (S), in OGC Records, ⊏ ⊐, Box 1, Folder 4, CIA ARC. Ryan told the CIA that the views expressed by Loftus did not necessarily represent those of the Office of Special Investigations or of the Department of Justice. See Ryan to ⊏ ⊐, 12 August 1981, in the same job as above. (S)

[34]Loftus placed OPC within State Department channels, as opposed to its actually being an element of the CIA. He also cited C.D. Jackson, Nelson Rockefeller, and Richard M. Nixon as knowledgeable participants in the use of Nazi war criminals. "Nazi Connection," produced by Ira Rosen and broadcast on CBS *60 Minutes* with Mike Wallace on 16 May 1982. (U)

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Minutes interviewed a number of individuals, including John Tipton, GAO's leading investigator, who now expressed his belief that Federal agencies had lied to Congress during his recently completed investigation.[36] (U)

The *60 Minutes* Shock (U)

Loftus's charges created a public relations crisis for the Central Intelligence Agency.[37] Congressional figures were shocked at the latest scandal involving the CIA and other Federal agencies. Rep. Barney Frank (D-MA), who was interviewed on *60 Minutes*, wrote William J. Casey, the Director of Central Intelligence, on 14 May 1982 to request all Agency records pertaining to Nazi war criminals.[38] Other Congressmen took up the call to reopen the Nazi war crimes investigations. Rep. Peter W. Rodino, Jr., (D-NJ) chairman of the House Judiciary Committee, requested that the General Accounting Office examine Loftus's claims that Federal agencies had withheld

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[35]For a reaction to the charges made by Loftus against the radios, see Gene Sosin, *Sparks of Liberty: An Insider's Memoir of Radio Liberty* (University Park: The Pennsylvania State University Press, 1999), pp. 185-187. (U)

[36]"Nazi Connection," *60 Minutes*, 16 May 1982. (U)

[37]The *Washington Post* closely followed the *60 Minutes* story, see Dale Russakoff, "American Officials Accused of Aiding Nazi Collaborators," *Washington Post*, 17 May 1982, pp. A1 and A6; Thomas O'Toole and Morton Mintz, "US Probes Report Nazi Collaborators Were Helped to Immigrate," *Washington Post*, 18 May 1982, p. A3; Thomas O'Toole, "Nazis Brought to US to Work against Soviets in Cold War," *Washington Post*, 20 May 1982, pp. A1 and A20; and Thomas O'Toole, "The Secret under the Little Cemetery," *Washington Post*, 23 May 1982, pp. A1 and A5. (U)

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information from GAO investigators during 1977-78.[39] Sen. Daniel P. Moynihan (D-NY) supported a similar move in the Senate.[40] (U)

The Federal agencies, tainted by the *60 Minutes* report, scrambled to determine the validity of Loftus's charges. Allen A. Ryan, Jr., director of the Office of Special Investigations, refused to answer questions related to the broadcast. He simply stated, "to the best of my knowledge, no files were withheld from us."[41] The State Department insisted that it had "cooperated fully" with both the GAO and OSI investigations but was reviewing files in response to the new allegations.[42] The Central Intelligence Agency took steps to provide information about its role in the Nazi war criminal investigations. On 18 May 1982, Agency officials from OGC and the DO briefed the counsel of the Senate Select Committee on Intelligence (SSCI).[43] (S)

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[38]Frank to Casey, 14 May 1982, in DO Records, [redacted], Box 1, Folder 7, CIA ARC. See also Madelyn Miller, "Congressman Wants to Probe Report that US Recruited Nazis after War," Philadelphia *Inquirer*, 18 May 1982, p. 3A. (U)

[39]Thomas O'Toole, "Rodino Asks GAO to Reopen Probe on Nazis," *Washington Post*, 19 May 1982, p. A4; and Ralph Blumenthal, "Possible Cover-Up to Shield Nazis is Focus of Renewed US Inquiry," *New York Times*, 23 May 1982, p. 1. (U)

[40]"Moynihan Urges Probe of Postwar Nazi Asylum," *Washington Post*, 21 May 1982, p. A16. (U)

[41]Joan Vennochi, "Investigation of Pro-Nazis Defended," *Boston Globe*, 18 May 1982, p. 12. (U)

[42]United Press International, "State Scurries to Review Files in Wake of Nazi Cover Up Charges," Washington *Times*, 18 May 1982, p. 3A. See also Philip Taubman, "Agencies Deny Slowing an Inquiry on US Use of Nazi Collaborators," *New York Times*, 18 May 1982, p. A14. (U)

[43] [redacted], Deputy General Counsel, to Executive Director, "Allegations Concerning US Government Assistance in Immigration/Naturalization of Alleged Nazi War Criminals," 21 May 1982, OGC 82-05021, (S), in DO Records, [redacted], Box 1, Folder 7, CIA ARC. (S)

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Perhaps the most important measures that the Agency took involved the DCI's direct approach to Rep. Edward P. Boland, (D-MA) chairman of the House Permanent Select Committee on Intelligence (HPSCI), Rep. Romano L. Mazzoli, (D- KY) chairman of HPSCI's Subcommittee on Legislation, and Sen. Barry M. Goldwater, (R-AZ) Boland's counterpart on the SSCI. Rather than wait for Congressional leaders to contact the Agency about the charges, Casey offered assurances that the Agency had "spent considerable time reviewing its files for information about former Nazis who entered the United States." The Director also forwarded a copy of a report prepared by [ ] of OGC that summarized the Agency's role in the investigations.[44] (S)

According to [ ] report, GAO and OSI had requested name traces on some 500-odd individuals over the past several years. Of these traces, the Agency reported that it had records on approximately 80 persons and contact with about half of that number. The report briefly explained its ties to eight of those personalities, including Gustav Hilger, Otto von Bolschwing, and two of the Belorussians, Stanislau Stankevich and Nikola Abramtchik. It also described the administrative history of the Office of Policy Coordination and its relationship to the CIA.[45] (S)

The GAO Reopens Its Investigation (U)

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[44]Casey to Boland, 26 May 1982, Executive Registry 82-5044/2, (S), in DO Records, [ ], Box 1, Folder 7, CIA ARC. Letters and staff reports to Goldwater and Mazzoli are located in OGC Records, [ ]., Box 1, Folder 3, CIA ARC. (S)

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With pressure mounting from the public, media, and Congress to expand the Nazi war criminal investigations, representatives from Legislative Liaison Division, Public Affairs Office, Office of General Counsel, the Office of Security, and the Directorate of Operations met on 4 June 1982 to plan a collective response to Congressional inquiries. The group decided to pattern a new memorandum of agreement with Congress and the GAO after the 1978 example. At this point, the Agency did not know how any new investigations would differ from OSI's ongoing investigation.[46] (S)

The General Accounting Office soon approached DCI Casey with a plan to reopen its investigation.[47] John R. Tipton, one of the GAO's principal investigators during 1977-78, acted as Conahan's project manager. He sought all CIA and "third party" records dealing with Nazi war criminals and their employment by American intelligence. Tipton also wanted to review documents relating to the immigration of these suspects and any evidence that the CIA had failed to provide information during the first round of investigations.[48] Tipton told CIA officials that he wanted to avoid the problems that had resulted from the procedures employed by CIA during the first investigation. (U)

[redacted], the chief of the FOIA, Privacy and Litigation Group, agreed to allow the GAO full access to all files and to place "third agency" material into

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[45]Ibid. (S)

[46][redacted], Memorandum for the Record, "Preparations for GAO/Congressional Investigation of Alleged Illegal Entry of Nazi War Criminals into the US," 8 June 1982, (S), in DO Records, [redacted], Box 8, Folder 170, CIA ARC. (S)

[47]Conahan to Casey, 23 June 1982, in DO Records, [redacted] Box 8, Folder 170, CIA ARC. (U)

[48]Ibid. (U)

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separately marked envelopes for the investigators. [redacted] concession marked an important change from the 1977-78 investigation, in which the CIA provided sanitized copies for the investigators. Under the new approach, the GAO could review all files directly, without intermediaries. The Agency, in particular the DO, took this measure to "lay this matter to rest for once and for all." By mid-September, the CIA and GAO agreed to the guidelines for the investigation.[49] (U)

The renewed interest in the Nazi war criminal subject also generated debate about the numbers of war criminals and collaborators who entered the United States.[50] Loftus initially claimed that some 300 Belorussians arrived in America while others believed that US intelligence may have allowed up to 5,000 to enter the country. In any case, that remained just one of the questions that the GAO would grapple with over the next two and one-half years. The GAO investigation commenced on 9 September 1982 when

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[49] [redacted] Memorandum for the Record, "Meeting with GAO Staff Members Re Investigation," 8 July 1982, IMS/FPLG 82/136, (S); [redacted] to [redacted] Chief, OS/SAG, "DO Material to be Made Available to GAO Investigators," 16 July 1982, IMS/FPLG 82/146, (C); [redacted] to [redacted] OS Material to be Made Available to GAO Investigators," 29 July 1982, (C); and Memorandum of Understanding between the General Accounting Office and the Central Intelligence Agency, 13 September 1982, all in DO Records, [redacted], Box 8, Folder 170, CIA ARC. The Agency held a meeting with its FBI counterparts who were "appalled" that the CIA would allow the GAO to have open access to its files. See [redacted] Memorandum for the Record, "Meeting with FBI re Procedures for Providing Material to GAO Investigating Alleged Nazis in the United States," [undated, c. 27 July 1982], in DO Records, [redacted] Box 8, Folder 170, CIA ARC. (S)

[50] Thomas O'Toole, "America Long a Haven for Nazi Foes of Soviet," *Washington Post*, 9 July 1982, p. A3. (U)

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Tipton returned the signed memorandum of agreement with a list of organizations and individuals for CIA to trace.[51] (U)

Interviewing Former Employees (U)

Unlike the 1977-78 investigation, the GAO also undertook to interview retired CIA employees about events that had occurred since the end of World War II. In January 1983, Tipton submitted a list of 50 retired CIA officials, including prominent individuals such as Richard Helms, James Angleton, and Harry Rositzke, who had influenced the Agency's development. This request raised some concern within the CIA because the Agency felt unable to verify or document what might be revealed in an interview.[52] In fairly rapid time, however, the Agency agreed on a way to handle these interviews; the Office of Personnel obtained their addresses and, if the retired officials consented to speak with GAO, then the GAO investigators informed the Agency. The Agency reviewed all notes from these meetings for declassification.[53] (U)

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[51] Tipton to [redacted], Office of External Affairs, 9 September 1982, in DO Records, [redacted], Box 8, Folder 170, CIA ARC. In addition to Tipton, the GAO also had several other investigators, Robert P. Glick, Anne W. Williams, David M. Broy, and Joseph P. Litzelman. On occasion, the GAO sent other staff members to CIA to review records. (U)

[52] Tipton to [redacted] 27 January 1983, OEXA 83-0219; and [redacted] Memorandum for the Record, "GAO Request to Interview Former Employees," 9 February 1983, both in DO Records, [redacted], Box 8, Folder 170, CIA ARC. (U)

[53] There was some discussion whether a CIA representative should be present at the interviews. See [redacted] to Chief, IMS, "GAO Interview of Former CIA Employees," 10 February 1983; [redacted] Memorandum for the Record, "GAO Investigation–Meeting with DDO," 18 February 1983, IMS/FPLG 83/19, (C); and [redacted] to Chief, IMS, "GAO Meeting with Former CIA

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The Agency faced initial difficulties in locating the retired officials. Many of their addresses had changed since retirement. Indeed, of the 50 officials, the Agency initially found addresses for only seven men. The remainder had either moved over the years and left no forwarding address or had retired through the Civil Service system and received pensions through the Office of Personnel Management, as opposed to the CIA's own retirement system. The Agency had no records on three individuals that the GAO wanted to interview, while another seven had died.[54] Despite these problems, the Agency soon contacted even more retired officials than were named in the GAO's initial request of January 1983.[55] (S)

A year later, [redacted], the DO's point of contact with the GAO investigators, reported that "the interviews with former CIA employees who were mentioned in the records being reviewed by the GAO investigators has led to no firm support for the allegations being made." Instead, the interviews provided Tipton and his team "a feel for the times when OPC/CIA was engaged in the operations, but little more." [redacted] believed "the time has come for the investigators to plan for a cut off date since

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Employees," 3 March 1983, IMS/FPLG 83-30, all in DO Records, [redacted], Box 8, Folder 170, CIA ARC. The Agency later decided to send a letter to the retirees stating the purpose of the GAO investigation. See [redacted] Chief, IMS, to [redacted] Executive Director, "Notification of GAO Investigation," 17 August 1983, IMS 83-439, [redacted] Box 8, Folder 170, CIA ARC. (C)

[54]James N. Glerum, Director of Personnel, to Director, Office of External Affairs, "Investigation of Nazi War Criminals," 1 March 1983, (S), in DO Records, [redacted], Box 8, Folder 170, CIA ARC. (S)

[55]A list of additional interview subjects is found in "Former Employees to be Contacted by GAO," 29 November 1983, (S), in DO Records, [redacted] Box 1, Folder 2, CIA ARC. A sample letter from CIA to the retired personnel is also located in this job. (S)

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they have come to the realization that every file they review leads to another, and every person they interview can suggest a more knowledgeable person."[56] (S)

Indeed, the interviews provided some details that could not be gleaned from surviving documentation. [redacted], who directed CIA's review of the Army's CIC operations in Austria and oversaw the formation of Detachment 35, provided John Tipton and Robert Glick of the GAO in late 1983 with an overview of the situation of that occupied country. "I opined to the inspectors," [redacted] wrote to the Agency, "that the directives to CIC . . . could be simply summarized: stop chasing Nazis and go after Russians and Communists."[57] (U)

With this in mind, [redacted] recalled that "the average CIC agent (and the average CIC agent's boss) had no training or experience in espionage, but suddenly had a great deal of money to spend, a great blossoming of 'operations' suddenly occurred, in which one cardinal rule of 'security' prevailed: never ask your agent the identity of his sources, for that would be bad security." Consequently, [redacted] told the GAO,

> the inevitable result, in cold and hungry Europe of the time, was a proliferation of papermills such as had never been seen in Europe's history. To those of us trying to make sense of it all, it seemed that every down-at-heel veteran of the Abwehr, the Gestapo, RSHA Amt VI, and all the Fascist organizations of central and Southern Europe was peddling fabricated information sources to notional spy networks, and that CIC, MIS, the British FSS, the Austrian Stapo, the Foreign Service's Peripheral Reports Officers, the Grombach organization, the Gehlen

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[56] [redacted] to Chief, IMS, "Status Report on GAO Investigation," 16 January 1984, (S), in DO Records, [redacted] Box 1, Folder 2, CIA ARC. (S)

[57] [redacted] to [redacted], 22 December 1983, in DO Records, [redacted], Box 8, Folder 170, CIA ARC. (U)

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organization, the Italian Carabinieri, Amt Blank, the French SDECE, and Radio Free Europe were all elbowing and shoving each other to buy the stuff, like so many women in Macy's Basement on the day after Christmas.[58] (U)

The Barbie Affair and Public Law 110 (U)

While the GAO investigators plowed through the CIA's records and those of other agencies, new complications arose. In February 1983, news accounts of Klaus Barbie's return to France from South America raised concerns that American intelligence had assisted his escape from Europe. Peter W. Rodino, the chairman of the House's Committee on the Judiciary, broadened the GAO investigation on 17 February to include a review of the Barbie case.[59] Rodino notified DCI Casey of this fact a week later and requested that the Agency provide the GAO with all files relating to Barbie.[60] (U)

Congress also took an interest in the Agency's special authorization to sponsor aliens for entry into the United States. As early as 1979, Congress had eyed Section 7 of Public Law 110, the CIA Act of 1949.[61] Skeptical of the Agency's use of Section 7, Rep.

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[58]Ibid. In [redacted]'s opinion, "the one's that got most of this mis-information were the ones with the most money (or black market cigarettes): CIC and the Gehlen Organization." (U)

[59]Rodino to Charles A. Bowsher, Comptroller General, General Accounting Office, 17 February 1983, in DO Records [redacted], Box 8, Folder 170, CIA ARC. (U)

[60]Rodino to Casey, 24 February 1983, ER 83-1109, in DO Records, [redacted], Box 8, Folder 170, CIA ARC. The fact that Allan A. Ryan, Jr., directed the Department of Justice investigation of the Barbie case alleviated the GAO from actively pursuing this portion of its investigation. See correspondence between Ryan and Tipton, 24 March and 5 April 1983, and between Ryan and William J. Anderson, Director, General Government Division, GAO, 21 March 1983, all in the same job as above. (U)

[61]Joseph Volz, "CIA Hits Bid to End Spy Shuttle to US," New York *Daily News*, 1 November 1979, [no page listed]. (U)

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Elizabeth Holtzman sponsored H.R. 5087 to eliminate the Agency's provision on 2 August 1979. She feared that the Agency had used its special powers to bring Nazi war criminals into the country.[62] DCI Stansfield Turner told Rodino, "the Bill is objectionable because it would repeal a fundamental authority of the Director of Central Intelligence (DCI) which is critical to the fulfillment of the foreign intelligence mission of the Central Intelligence Agency." Holtzman's legislation threatened to eliminate the DCI's ability to sponsor aliens and defectors "in a time when human sources of intelligence are of critical importance to the national security of the United States."[63] After lengthy discussions between Agency officials and Congresswoman Holtzman, she removed the portion of H.R. 5087 concerning Section 7, CIA Act of 1949, in the spring of 1980.[64] (S)

Following the *60 Minutes* revelations in 1982, the Senate Select Committee on Intelligence also looked into the issue of whether the CIA had abused Section 7. John Loftus had charged that the CIA continued to bring criminals to America, citing the

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[62]In late October 1979, John D. Morrison, the Agency's acting General Counsel, testified in open session before the Subcommittee on Immigration, Refugees, and International Law, about Section 7. Morrison had received guidance from ⊏ ⊐ on how to respond to questions concerning the Agency and Nazi war criminals. Morrison's testimony, his prepared remarks ⊏ ⊐ questions and answers, and other material are found in DO Records, ⊏ ⊐, Box 8, Folder 156, CIA ARC. (U)

[63]Turner to Rodino, [no date listed but circa 30 October 1979], in DO Records, ⊏ ⊐ Box 8, Folder 156. (U)

[64]Various briefing material, including a chart ⊏ ⊐ under Public Law 110, is found in DO Records, ⊏ ⊐ Box 8, Folder 156, CIA ARC. See also ⊏ ⊐ Assistant Legislative Counsel to Frederick P. Hitz, Legislative Counsel, "H.R. 5087, the 'Immigration and Nationality Act

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recent admittance of Iranian officers from the Shah's SAVAK, or intelligence service. Loftus's claims spurred Congress to look at the "100 Persons Act" once again and, this time, the Senate sought a case-by-case review of all individuals admitted to the United States to determine their background.[65] (S)

The 1985 GAO Report (U)

In May 1985, over two years after it started its second investigation, the General Accounting Office submitted its draft report to the CIA for a security review. The 40-page report, *Nazis and Axis Collaborators Were Used to Further US Anti-Communist Objectives in Europe–Some Immigrated to the United States,* was released to the public. The GAO report examined the various American intelligence agencies that operated in Europe after the war, including the CIC and OPC, and the poor state of American intelligence on the USSR at the beginning of the Cold War. The report noted that US intelligence officers had sought intelligence from all quarters and quoted one officer as

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Amendments of 1979,'" 6 March 1980, OLC 80-0226, in DO Records, [redacted], Box 8, Folder 156, CIA ARC. (S)

[65]Congressional interest in 1982-83 in Public Law 110 is found in DO Records, [redacted] Box 8, Folder 160, CIA ARC. Included is [redacted] P.L. 110 . [redacted] See also . [redacted], Deputy Director, Office of Legislative Liaison to Peter Sullivan, Minority Counsel, Senate Select Committee on Intelligence, "CIA Use of Section 7 of the CIA Act of 1949, as Amended," 7 October 1983, OLL 83-2477, (S), in DO Records, [redacted], Box 1, Folder 1, CIA ARC. The findings of this report are summarized in Chapter Thirteen. (S)

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saying that "we would have slept with the devil to obtain information on communists."[66] Consequently, the GAO concluded that "US intelligence used anti-Communist resources that had immediate intelligence potential," including former Nazi intelligence personnel and collaborators.[67] (U)

The General Accounting Office report concentrated on 114 individuals. Of this number, five with "undesirable or questionable backgrounds" had been involved with American intelligence and had received assistance in moving to the United States. An additional seven aliens also had similar checkered personal histories but had no "identifiable" help in their immigration.[68] Of the five men who immigrated to America with governmental assistance, all had been involved with the CIA after the war: Xhafer Deva (Subject A), Stanislau Stakievich (Subject B), Otto von Bolschwing (Subject C), Mykola Lebed (Subject D), and Nicholas Poppe (Subject E). (C)

The GAO determined that several of the seven individuals who entered the United States without government assistance also had relationships with the Central Intelligence Agency. Nevertheless, the GAO "found no specific program to aid the immigration of undesirable aliens."[69] After examining thousands of documents from several Federal agencies and interviewing nearly 40 former government officials, the GAO felt "its

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[66]1985 GAO Report, p. 15. (U)

[67]1985 GAO Report, p. 19. (U)

[68]The subjects are discussed on pages 29-40 of the 1985 GAO Report. The report does not identify the subjects by name; a key to their identities is found in Tipton to [redacted] 8 July 1985, (C), in DO Records, [redacted], Box 1, Folder 1, CIA ARC. (C)

[69]1985 GAO Report, p. 29. (U)

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review was sufficiently broad and unrestricted to state that this report fairly portrays the conditions that existed following World War II."[70] The evaluators did add a caveat that tempered their overall conclusion:

> We were not denied access to any documents requested; however, intelligence agencies often assign projects innocuous names which do not reflect the projects' purposes and, therefore, we cannot assure that we requested all relevant projects' files. In addition, some documents requested could not be located or had been destroyed. However, these instances were the exception rather than the rule. The deaths of certain officials and the unclear recollections by others of events from the post World War II era made itdifficult and/or impossible to reconstruct certain events, circumstances, and situations. As a result, we cannot be completely sure that we have obtained all relevant information or that we have identified all Nazis and Axis collaborators assisted by US agencies to immigrate to the United States.[71] (U)

The release of the GAO's report in late June 1985 initially generated little public interest. Congressman Rodino, who had requested the report in 1982, said that he found the GAO's conclusions "extremely distressing." The fact that the report had to conceal the names of individuals and agencies did not sit well in Congress.[72] In early October,

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[70]1985 GAO Report, p. iii. (U)

[71]1985 GAO Report, pp. 6-7. (U)

[72]Ralph Blumenthal, "2 War Criminals had Official Help in Getting to US, Study Finds," *New York Times*, 29 June 1985, p. 7. (U)

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Romano L. Mazzoli, chairman of the House's Subcommittee on Immigration, Refugees, and International Law, called for an oversight hearing on the GAO report.[73] (U)

Congress Looks at the GAO Report (U)

Mazzoli's subcommittee convened on 17 October and heard the testimony of the report's authors, Robert Glick and John Tipton, and the associate director of the General Government Division, Arnold P. Jones.[74] The questions, as expected, focused on the GAO's methodology and conclusions. The individual Congressmen reached no consensus in their judgements of the report's thoroughness, and the harsher criticisms of it gained the most attention. Barney Frank declared, "I have never been more disappointed in a GAO work product than I am today." He called it "totally inadequate" because it did not provide details of the intelligence operations to fight communism.[75] (U)

Frank also submitted for the record a lengthy critique of the GAO report written by Elizabeth Holtzman, formerly of the House of Representatives (and now a District Attorney in New York). She complained that "the actions of US intelligence agencies and officers documented in the GAO report–working with suspected war criminals and

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[73]Mazzoli to Casey, 10 October 1985, ER 85-3930, in DO Records, [redacted], Box 1, Folder 1, CIA ARC. (U)

[74]US Congress. House. Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary. *GAO Report on Nazi War Criminals in the United States*. 99th Cong., 1st sess., 17 October 1985 (hereafter cited as the 1985 GAO Report/Hearings). (U)

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mass murderers, following a morally bankrupt policy and deliberately deceiving other government agencies-took place without public disclosure." Holtzman called for an independent investigation and the full release of all records. "The public has a right to know the full story. Time is of the essence. We have already waited for forty years. We should not have to wait any longer."[76] (U)

John Loftus testified as well, essentially repeating his claims about the Belorussians and calling for yet more investigation.[77] [redacted] former deputy director of the Office of Special Investigations and Loftus's supervisor (and now an attorney with the Central Intelligence Agency), commented, "Mr. Loftus's testimony consisted of his usual inchoate, stream-of-consciousness explications of various conspiratorial theories. Regrettably," [redacted] added, "I was unable to follow the Byzantine contours of Mr. Loftus' testimony."[78] (U)

Neal Sher, who had replaced Allan A. Ryan, Jr., as OSI's director in 1983, also testified at the GAO hearing. He supported the findings of the GAO report as consistent with OSI's experience in investigating some 900 individuals since 1979, but he did note some differences. "It is important to bear in mind," Sher observed, "that OSI is

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[75]1985 GAO Report/Hearings, p. 56. (U)

[76]Ibid., pp. 57-61. According to the terms of the agreement between CIA and the GAO, the investigators returned all of their notes to the Agency at the conclusion of the first and second GAO investigations. These notes are maintained in DO Records, [redacted], Boxes 1-3, and [redacted], Boxes 2 and 8, CIA ARC. (U)

[77]1985 GAO Report/Hearings, pp. 79-99. (U)

[78][redacted] to [redacted], Chief, Liaison Division, Office of Legislative Liaison, "Immigration Sub-Committee Hearing on GAO Nazi Report," 23 October 1985, in DO Records,

essentially case oriented; we are prosecutors, whose objective is to investigate thoroughly allegations that an individual had been engaged in persecution which might warrant either denaturalization or deportation." He noted that the "historical review which was the function of the GAO Report and the efforts of OSI are for the most part separate and distinct."[79] (U)

The hearings concluded Congressional interest in the GAO's second investigation in the 1980s. While the Subcommittee's formal report contains additional correspondence between the House and OSI as well as with the GAO, Congress took no other action regarding the report.[80] The GAO's second investigation and its report, *Nazis and Axis Collaborators Were Used to Further US Anti-Communist Objectives in Europe–Some Immigrated to the United States*, stands as the Federal government's most definitive effort to address this issue. Interest in the subject, however, did not diminish. The Federal government's role in enabling Nazi war criminals to escape justice continued to make headlines in the 1980s. (U)

[ ] Box 1, Folder 1, CIA ARC. Sullivan was in the audience when Loftus testified. (U)

[79]1985 GAO Report/Hearings, pp. 68-79. (U)

[80]Ibid., pp. 99-114. (U)

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DoJ/OSI

Chapter Nineteen

The Decade of the Nazi War Criminal (U)

The Loftus interview on *60 Minutes* had far-reaching implications. In addition to raising Congressional and public interest in the US government's assistance to Nazi war criminals and collaborators in immigrating to America, the *60 Minutes* piece led the General Accounting Office to launch another major investigation that lasted for the next three years. The GAO concluded that various agencies of the Federal government, including the CIA, had maintained close contact with some of these figures. And, in some cases, the government had aided their immigration and worked with these individuals after their arrival in the United States. (U)

Even before the GAO issued its report in the summer of 1985, the Klaus Barbie case demonstrated the extent of American collusion with Nazi war criminals. The Department of Justice's investigation in 1983 exposed the Army's Counter Intelligence Corps's use of Nazi war criminals as intelligence sources and the "rat line" from Europe to South America. The Ryan report on Barbie appeared to confirm some of Loftus's charges that the US government had concealed its relationship with criminal adherents of the Third Reich. (U)

The Barbie investigation, coming immediately on the heels of the *60 Minutes* episode, fueled growing public speculation that the United States Government, especially

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its intelligence agencies, was involved with every unsolved Nazi war criminal case. Between 1983, when the Barbie case broke, and 1986, the world press seized upon the American connection with Nazi war criminals as topics of major speculation. Within a three-year period, cases such as Klaus Barbie, Robert Jan Verbelen, Josef Mengele, and Kurt Waldheim created international sensations. While American intelligence had links with two of the four major cases (Barbie and Verbelen), the media created an impression that the United States had information on the four individuals and facilitated their escape from justice. Thorough examinations by the Office of Special Investigation in the four cases failed to dispel this viewpoint. (U)

The Barbie Investigation (U)

In February 1983, news reports circulated in the American press that the Central Intelligence Agency had protected Klaus Barbie while he lived in South America. Coming at the same time that the Bolivian Government finally extradited Barbie to France, these were serious charges. Sen. Patrick Moynihan, vice chairman of the Senate Select Committee on Intelligence, commented in response to the allegations, "appropriate inquiries have been made at various agencies, including the most recent inquiries of Mr. Klaus Barbie."[1] (U)

[1] See "Summary of Major Media Items on Intelligence," 14 and 16 February 1983, in DO Records, [redacted] Box 13, Folder 128, CIA ARC. (U)

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This benign statement did not convey the sense of urgency that US officials shared in the Barbie revelations. On 8 February 1983, the Agency's Office of General Counsel learned from the State Department that the US Army had employed Barbie, a German SS officer accused of the murder of thousands of French resistance members, after World War II.[2] In an effort to head off negative press reports (apparently John Loftus had already raised the issue with CBS News), the Reagan Administration planned to distribute a press release concerning the entire case.[3] Both the Department of Defense and the CIA's Directorate of Operations, however, opposed such a move and preferred not to make any statement at all. While the Agency denied that it had any connection with Barbie either in Europe or in South America, Agency officials worried that the CIC unit that had "smuggled" him out of Germany and Italy may have actually been an OPC cover unit.[4] (U)

Stanley Sporkin, the Agency's General Counsel, updated the DCI on the Barbie case on 16 February. He explained Barbie's activities for the American Government, the background of the Nazi war criminal investigations, and the options available to American policymakers in resolving the Barbie case. Sporkin offered four options to

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[2]The State Department informed the CIA the same day as the *New York Times* broke the story about Barbie. See Ralph Blumenthal, "Ex-Chief of Gestapo in Lyon is Linked to US Intelligence," *New York Times*, 8 February 1983, pp. A-1 and A-9. (U)

[3] Associate General Counsel to General Counsel, "Current Information and Administration Action Concerning Klaus Barbie Matter," 16 February 1983, (S), in DO Records, , Box 13, Folder 128, CIA ARC. (S)

[4]The confusion surrounding the OPC cover unit was initially stated in the above-cited memorandum. Subsequent memos corrected this false impression. The Agency recommended on 16 February that it "not make any public statement whatsoever concerning Barbie. To do so could be misconstrued by the media and/or general public." See "Klaus Barbie aka Klaus Altmann," [undated], (S), in DO Records, , Box 13, Folder 128, CIA ARC. (S)

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consider: maintain the *status quo* (that is, make no statement about Barbie); defer to the French Government for action in Barbie's case; launch an internal investigation into the American Government's complicity; or establish an independent inquiry to be headed by an "outsider of recognized standing." Sporkin personally supported an internal investigation by the Department of Justice, which he said would make the Executive Branch appear to be supportive of the Nazi war criminal investigation while protecting classified information.[5] (S)

Sporkin, however, warned DCI Bill Casey against placing contemporary values on historical actions. "We should not," the General Counsel advised, "appear to be making a deep commitment to justify what took place with respect to Barbie thirty years ago. If we make such a commitment, we will begin an endeavor from which it will be difficult to extricate ourselves and will create the appearance that somehow the current Administration bears some kind of responsibility for past events." "The focus of our effort," he told the DCI, "must be to make clear the distance of the questionable events in time. We must all recognize, too, that it was the documented policy of the United States to make pragmatic intelligence collection of ex-Nazis after World War II, because we were retooling our capabilities to deal with the new enemy, the Soviet Union."[6] (S)

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[5]Sporkin to DCI, "Allegations of Complicity by US Intelligence in Post-World War II Escape of Nazi Klaus Barbie," 16 February 1983, OGC 83-01316, (S), in DO Records, [redacted], Box 13, Folder 128, CIA ARC. (S)

[6]Ibid. It is not certain what Sporkin meant by saying that it was "the documented policy of the United States to make pragmatic intelligence collection of ex-Nazis after World War II." The DDO, John H. Stein, approved of OGC's recommendations to support a DOJ investigation, although he still wanted the Agency to maintain its "standard practice of neither affirming nor

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In the meantime, Allan A. Ryan, Jr., director of the Office of Special Investigations, received permission from the Attorney General on 14 March 1983 to conduct an "investigation of the relationship between Klaus Barbie and the United States Government from the end of World War II to the present." Even before that point, Ryan had begun searching the Agency's holdings for records on Barbie. Indeed, the Agency permitted Ryan to conduct an "open review" of CIA's records without waiting for them to be sanitized.[7] (C)

The Agency began its name trace on Barbie (and on his alias, Klaus Altmann) on 17 February 1983 and had the results ready for Ryan on 1 March.[8] Ryan, who had taken leave from his normal duties as OSI's director to head the Justice Department investigation, visited CIA headquarters to examine the records and found that most of them were CIC documents.[9] The US Army also sent an attorney to inspect the CIA's holdings and compare them with its own documents on Barbie.[10] Agency records

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denying that Barbie was a CIA agent." See Stein to DCI, 22 February 1983, (S), in DO Records, [redacted], Box 13, Folder 128, CIA ARC. (S)

[7] See [redacted], Memorandum for the Record, "Klaus Barbie–Altmann–Meeting with OGC and DOJ/OSI Representative Alan Ryan," 22 February 1983, IMS/FPLG 83/21, (C), and [redacted], Memorandum for the Record, "DOJ/OSI Request to Review DO Records on Klaus Barbie," 25 February 1983, (C), in DO Records, [redacted], Box 13, Folder 128, CIA ARC. (C)

[8] [redacted] OGC to [redacted] et al, "Nazi War Criminal Investigation," 18 February 1983, OGC 83-01394, (S), and [redacted], Acting Chief, Operations Group to [redacted] Chief, FPLG, "Nazi War Criminal Investigation," 1 March 1983, DOR-00997, both in DO Records, [redacted], Box 13, Folder 128, CIA ARC. (S)

[9] [redacted] to [redacted], OGC, "DOJ/OSI Notes on Klaus Barbie–Altmann," 3 March 1983, IMS/FPLG 83/28, (S), in DO Records, [redacted], Box 13, Folder 128, CIA ARC. (S)

[10] [redacted] Memorandum for the Record, "Review of DO Records on Klaus Barbie by Chief, Security Team, Directorate for Counterintelligence, Department of the Army," 4 March 1983, (C), and [redacted] to [redacted], OGC, "Department of Army, Office of General Counsel Notes

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pointed to numerous other organizations and individuals, both Army and civilian, as well as other aliases used by Barbie during his years in hiding. The Agency tracked these names through its index systems and also arranged to have Ryan interview retired CIA officials knowledgeable about operations in Europe and Latin America.[11] (S)

While Ryan pursued leads from Washington to South America and France, he also battled leaks and legal action that threatened the course of his investigation.[12] The Barbie case naturally attracted interest throughout the country and even generated a book by a former CIC officer who had worked with Barbie in Germany.[13] Congress was also interested in the outcome of the Barbie investigation. At the end of March 1983, the DCI learned from Edward P. Boland that the House Permanent Select Committee on Intelligence wanted information on Barbie to prepare for hearings on "how the US

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on Klaus Barbie," 22 March 1983, IMS/FPLG-83/45, (S), both in DO Records, [redacted] Box 13, Folder 128, CIA ARC. (S)

11 [redacted], Intelligence Community Affairs, Office of General Counsel, to Forbes et al, "DOJ/OSI Investigation of Klaus Barbie," 29 March 1983, OGC 83-02579, (S). While in La Paz, for example, Ryan wanted to speak with the [redacted] about Barbie's affairs in Bolivia. Ryan to [redacted] 5 April 1983, (S), both in DO Records, [redacted], Box 13, Folder 128, CIA ARC. (S)

12For his protests about a misleading report by CBS News, see Ryan to Robert Gelberd, Department of State et al, "CBS Report of Barbie Investigation," 7 April 1983, OGC 83-02995. The Ryan investigation and the Intelligence Community's ability to withhold records was challenged by a law suit brought by ABC News under the Freedom of Information Act. *American Broadcasting Companies, Inc., et al v. US Department of the Army et al*, Civil Action 83-1836, United States District Court for the District of Columbia, 24 June 1983, both documents in DO Records, [redacted] Box 13, Folder 128, CIA ARC. (U)

13Erhard Dabringhaus, *Klaus Barbie: The Shocking Story of How the US Used this Nazi War Criminal as an Intelligence Agent* (Washington, DC: Acropolis Books Ltd., 1984).

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relationship with Barbie and his associates was considered, approved and reviewed, and how such procedures contrast with current policies and practices."[14] (C)

The Ryan Report (U)

By mid-July 1983, after several months of intensive investigation, Ryan provided the CIA with a copy of his draft report for a hasty declassification review so he could use it at an upcoming press conference.[15] The Agency suggested few changes be made to Ryan's manuscript and, in fact, supported the Justice Department's position for full acknowledgment of Barbie's role in occupied Germany.[16] The CIA deleted only a couple of references to [redacted] employment by the Agency, station locations and sources, and the identity of one Army cover organization in Germany. Ryan and Agency officials rewrote the deleted sections, still carrying the main point across without damaging "sources and methods."[17] The Agency declined to submit written comments

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[14]Boland to Casey, 25 March 1983, ER 83-1791. For Casey's reply, see Casey to Boland, 29 April 1983, OEXA 83-0219/G. The House eventually decided to let the Ryan and GAO investigate Barbie. See [redacted], Legislative Liaison Division, Memorandum for the Record, "House Permanent Select Committee on Intelligence (HPSCI) Request for Information on Klaus Barbie, Nazi War Criminal, and Alleged Connection with CIA," 17 May 1983, OEXA 83-0219/7, (C), all in DO Records, [redacted], Box 13, Folder 128, CIA ARC. (C)

[15]Ryan to [redacted], 22 July 1983, DO Records, [redacted], Box 13, Folder 128, CIA ARC. (U)

[16] [redacted] Memorandum for the Record, "Klaus Barbie, et al," 26 July 1983, XAN 00647, (S), and [redacted], Chief, IMS/FPLG, to Acting Chief, IMS, "Klaus Barbie Investigation Report," 26 July 1993, (C), both in DO Records, [redacted], Box 13, Folder 128, CIA ARC. (S)

[17]For CIA's deletions and proposed insertions, see [redacted] to Ryan, 29 July 1983, OGC 83-06156, in DO Records, [redacted], Box 13, Folder 128, CIA ARC. Ryan's investigation

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to the Attorney General for inclusion with the final report because it was satisfied with the substance of the investigation.[18] (S)

Based on his review of the Agency's records and interviews with current and former Agency officials, Ryan concluded, "at no time from the end of World War II to the present time has the Central Intelligence Agency had any relationship with Klaus Barbie." He also determined that the "CIA was not involved in the use, control, or financing" of the rat line from Austria to Italy and then to South America that allowed Barbie to escape in 1951.[19] (U)

Ryan's report persuaded the United States Government to apologize to France for delaying justice in Barbie's case.[20] It was an unprecedented move following an unprecedented investigation. Ryan's report went into extensive detail (including names, organizations, and a separate volume containing declassified source documents) and

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raised numerous, yet difficult, questions for the CIA. In going through the old records, Ryan tried to ascertain the relationship between the War Department Detachment and the Department of Army Detachment with CIC in Germany. He also wanted to know what cover organizations OPC had used overseas and what links the CIA had had with Krunoslav Draganovic, the clerical mastermind behind the rat line. Ryan also wanted to know why so many CIC members later had joined the CIA, and if the Agency had taken over the rat line from the Army. Other questions, including the Agency's knowledge about Barbie in Europe and in Latin America, were serious issues that required extensive research through hundreds of records and interviews of surviving witnesses. (U)

[18] C]to Ryan, 2 August 1983, OGC 83-06489, (S), in DO Records, C], Box 13, Folder 128, CIA ARC. (S)

[19]US Department of Justice, Criminal Division, *Klaus Barbie and the United States Government: A Report to the Assistant Attorney General, Criminal Division, US Department of Justice* (Washington, DC US Department of Justice, 1983), pp. 145, 165-168. (Hereafter cited as the Ryan Report). (U)

[20]Stuart Taylor, Jr., "US Says Army Shielded Barbie, Offers Its 'Regrets' to the French," *New York Times*, 17 August 1983, pp. A-1 and A-8. (U)

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supplemented the 1977-78 GAO Report and its anticipated report in 1985.[21] Ryan left government service shortly after the 16 August 1983 press conference, but his report, researched and written in less than five months, set a new standard for the Office of Special Investigations to pursue in the flurry of cases that soon followed. (U)

Robert Jan Verbelen (U)

The ink had barely dried on Ryan's report before the Attorney General called on the Office of Special Investigations to probe the US Government's relationship with Robert Jan Verbelen in Austria.[22] A native of Belgium and a member of a Flemish SS group, Verbelen had been convicted of war crimes in absentia by a postwar Belgian court and sentenced to death. Verbelen ended the war in Austria and found employment with the 430th CIC Detachment in Vienna as early as 1946. Although American intelligence dropped him as a source in the mid-1950s, the Austrian Government failed to extradite him to Belgium and an Austrian court acquitted him of murder in 1967. (U)

As OSI learned the sketchy details about Verbelen's use by American intelligence, it launched a full investigation. "In view of the continuing public interest in

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[21]The thoroughness of the Barbie report exposed it to other criticism. John Loftus claimed, "the US is not capable of giving a complete and truthful account of history." Flora Lewis, "Barbie's American Connections," *New York Times*, 26 August 1983, p. 25. Peter Dale Scott also blasted the Ryan Report for failing to examine other connections that Barbie supposedly shared in Europe and South America. Peter Dale Scott, "How Allen Dulles and the SS Preserved Each Other," *Covert Action Information Bulletin* 25 (Winter 1986), pp. 4-14. Christopher Simpson calls Ryan's conclusion that Barbie was the only Nazi war criminal smuggled out of Europe to be patently false. Simpson, *Blowback*, pp. xi-xv. (U)

[22]Verbelen Report, pp. 1-6. (S)

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this matter, OSI has, in the course of the present investigation, attempted to ascertain what were CIC's policies and actual practices with respect to the employment of war criminals and former Nazis or Nazi collaborators in postwar Europe," OSI's published report declared.[23] Verbelen was a CIC asset, but the possibility also existed that the CIA had some connection with the Belgian fugitive. OSI uncovered that it was a CIA request for information in 1956 that informed the Counter Intelligence Corps that their agent faced war crimes charges.[24] The Agency, according to OSI, persuaded CIC to transfer control of its agent to a "Western European intelligence agency," which allowed the Army to wash its hands of him. Whether or not he later worked for this unnamed agency (the West German BND) is uncertain. He also apparently served as an informant for the Austrian State Police.[25] (C)

OSI was under little outside pressure to complete the Verbelen report, thus it took time to do a thorough job. OSI submitted its report for CIA review in late 1986, and the Agency took another year to approve its release. Reviews in other agencies delayed the submission of OSI's final report to the Attorney General and the public until June 1988.[26] (U)

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[23]Ibid, p. 3. (S)

[24]OSI initially assigned Edward Bourguinon to the Verbelen case in late 1983. A year later, historian Elizabeth B. White of OSI took over the investigation. She visited CIA headquarters in the spring of 1985 to review Agency files. See Neal Sher to [redacted] "Robert Jan Verbelen," 30 December 1983, and Sher to [redacted] "Robert Jan Verbelen," 17 December 1984, in OGC working files, folders for 1984 and 1985. (U)

[25]Copies of the various pages reviewed and sanitized by CIA are found in DO Records, [redacted] Box 3, Folder 26, CIA ARC. (U)

[26]For correspondence dealing with the declassification of the report, see Neal M. Sher, Director, OSI to [redacted], Associate Deputy General Counsel, CIA, "Mandatory Declassification

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While OSI took more than four years to complete the Verbelen investigation, the report reinforced Ryan's earlier findings. The report confirmed that many CIC agents in western Europe, Austria in particular, were tainted by wartime Nazi affiliations and crimes.[27] Verbelen, for example, succeeded in hiding his past from the CIC for a decade. The CIA, while not directly involved with Verbelen, nonetheless learned damaging details about him and smoothed his way to leave the US Army's service quietly. Although OSI did not castigate the CIA for its actions, OSI believed that Verbelen "manipulated" the Agency as well as the Counter Intelligence Corps "into protecting him from being brought to justice for his crimes."[28] (U)

The Search for Josef Mengele (U)

The delay in the release of the Verbelen report can be seen in the light of startling new developments in the hunt for Nazi war criminals. In 1985, the Office of Special Investigations launched a major search for Josef Mengele, a German SS *Hauptsturmfuehrer*, who had served as a doctor at the Auschwitz concentration camp where he conducted unspeakable horrors under the guise of medical experimentation. In

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Review under Executive Order 12356: Robert Jan Verbelen–A Report to the Attorney General," 24 October 1986; Mark M. Richard, Deputy Assistant Attorney General, to Robert Gates, Acting DCI, 24 February 1987, (S); [redacted], OGC to Sher, 23 April 1987, OGC 87-51178, (S); Sher to [redacted] 15 October 1987; and [redacted] to Sher, 6 November 1987, OGC 87-53120, all in DO Records, [redacted], Box 3, Folder 26, CIA ARC. (S)

[27]Examples of other Nazis and collaborators used by CIC are discussed in Verbelen Report, pp. 83-90. (U)

[28]Ibid, p. 92. (U)

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early December 1984, OSI requested a name trace on Josef Mengele, born in Guenzburg, Germany, on 16 March 1911.[29] Five days later the Directorate of Operations informed [redacted] the Office of General Counsel's attorney now responsible for Nazi war criminal cases (he had succeeded [redacted]), that it had a sanitized file ready for OSI's review.[30] (S)

OSI, however, did not review the Mengele file for another two months. In the interim, the *New York Times* published a report on 23 January 1985 stating that American intelligence had arrested and released Mengele after the war. Mengele, who had been wanted by West Germany since 1959, had presumably escaped from Europe and fled to South America. Media coverage, based on declassified CIC reports obtained by the Simon Wiesenthal Center in Los Angeles, encouraged speculation that the American Government had aided one of the most notorious Nazi criminals. Rabbi Marvin Hier exclaimed that the CIC reports "create reasonable doubt as to whether or not the US had a role in the case of Josef Mengele."[31] (U)

Calls from Capitol Hill for an investigation soon followed. In January 1985, Sen. Alfonse M. D'Amato (R-NY) appealed to DCI Casey to establish a special team "to conduct an intensive search of intelligence records for any and all information directly or

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[29] [redacted], OGC, to [redacted] IMS/FPLG, and [redacted], OS/SAG, Nazi War Crimes Investigations," 7 December 1984, OGC 84-53282, (S), in DO Records, [redacted], Box 1, Folder 9, CIA ARC. (S)

[30] [redacted] to [redacted] "Trace Results on Alleged Nazi War Criminal," 12 December 1984, XAN 01002, (S), in DO Records, [redacted] Box 1, Folder 9, CIA ARC. (S)

[31] Ralph Blumenthal, "Papers Indicate Mengele May Have Been Held and Freed after War," *New York Times*, 23 January 1985, p. A-4. (U)

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indirectly concerning Dr. Josef Mengele."[32] Within a few days, the CIA's General Counsel, Stanley Sporkin and [redacted], formerly with OSI (and now an Assistant General Counsel), met with Sen. D'Amato and briefed him on CIA's progress in its review. The Agency later provided the senator with copies of declassified documents.[33] In February 1985, Attorney General William French Smith called upon the Office of Special Investigations to examine the available evidence and prepare a report about any collusion between American intelligence and Mengele. "We will use," Smith declared, "the effective techniques which OSI has used in the past to trace and locate Nazi war criminals."[34] (U)

The Mengele case proved unique in the annals of the Office of Special Investigations. The Federal government had conflicting information on whether Mengele was still alive and where he lived in South America. Mengele also used numerous aliases, complicating the international searches over the years. In addition to checking archives in the United States, OSI fostered ties to several countries, primarily West Germany and Israel, to develop leads and interview witnesses.[35] At a Congressional hearing in March, Assistant Attorney General Stephen S. Trott testified that "the FBI, the State Department, the Army, the entire intelligence community are helping us in this

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[32]D'Amato to Casey, 24 January 1985, ER 85-369; and D'Amato to Casey, 26 February 1985, ER 85-369/2, both in DO Records, [redacted], Box 1, Folder 9, CIA ARC. (U)

[33][redacted] to [redacted] Chief, IMS/FPLG, "DDO Files Pertaining to Dr. Josef Mengele," 1 February 1985, OGC 85-50363, in DO Records, [redacted], Box 1, Folder 9, CIA ARC. (U)

[34]Associated Press, "Smith Orders Search for Auschwitz Doctor," *Washington Post*, 7 February 1985, p. A6. (U)

[35]US Department of Justice, Criminal Division, *In the Matter of Josef Mengele: A Report to the Attorney General of the United States* (Washington, DC: Department of Justice, 1992), pp. 8-11. (Hereafter cited as the Mengele Report). (U)

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investigation." Trott reported that the specialized nature of this case called for other governmental agencies to become involved. "We also have the Drug Enforcement Administration and the US Marshals Service assisting our Office of Special Investigations helping us find this man, if indeed he is still living."[36] (U)

The initial allegations centered on Mengele's life in postwar Germany and whether American intelligence had utilized him or helped him to escape.[37] While proving or disproving the allegations posed an enormous challenge to OSI, further charges muddied the investigation. Sens. D'Amato and Arlen Spector held a news conference in late February where they produced declassified CIA documents that revealed the Agency's monitoring of Mengele's activities, including narcotics trafficking, since the early 1970s. D'Amato blasted the Agency for its inaction concerning these reports. "They just let the information land there. No one pursued this."[38] Sen. Spector, in turn, saw this as just another example of the government's disinterest in crimes committed during World War II. This is, he said, "a chapter in history that the United States wants to sweep under the rug. Nobody really gives a damn about Nazi war criminals."[39] (U)

The media refused to allow the Mengele issue to disappear. The "Angel of Death" now became an international sensation–a bitter reminder of the mixed success of

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[36]Thomas O'Toole, "US Search for Mengele Expanded," *Washington Post*, 20 March 1985, p. A18. (U)

[37]Mengele Report, p. 7. (U)

[38]Ralph Blumenthal, "Mengele Link to Drug Trafficking is Reported in CIA Documents," *New York Times*, 26 February 1985, pp. A1 and A4. (U)

[39] Bill Peterson, "Nazi Fugitive Linked to Drug Trafficking," *Washington Post*, 27 February 1985, p. A15. (U)

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the postwar Allied pursuit of Nazi criminals on the 40th anniversary of the war's end.[40] While the American Government searched its records for Mengele's life in Germany, self-anointed "Nazi hunters," including John Loftus, proclaimed their own theories.[41] Congress, in the meantime, held open hearings on the matter, seeking to clarify the role that the Federal agencies had played.[42] The search continued to become entangled with other leads as it now appeared that the Mengele family had business ties to the United States during the 1970s. (U)

The focus of the investigation shifted in June 1985 when Brazilian officials exhumed a grave in a suburb of Sao Paulo. Shortly afterward a team of international forensic experts concluded that the remains, indeed, were those of Mengele, who had died in 1979. The Attorney General accepted the scientists' conclusion. After lengthy DNA testing, the West German and Israeli Governments also declared the Mengele case closed. (U)

OSI's final report, released in 1992, turned out to be anticlimatic. It found that Mengele had no connection with the US Army or any American intelligence agency. While he had been captured and confined in several American prisoner of war camps at

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[40]Art Harris, "On the Trail of Mengele,"*Washington Post*, 8 March 1985, pp. C1 and C8. The Mengele investigation coincided with President Reagan's controversial visit to a German war cemetery in Bitburg in early 1985. (U)

[41]United Press International, "Search for Mengele Faulted," *Washington Post*, 10 February 1985, p. A11. (U)

[42]Congress actually held three separate hearings to review the Mengele investigation: two before the discovery of the remains and one immediately afterward. Among those who testified, [redacted], a former CIA official in charge of examining forgeries, served as a representative on OSI's team that went to Brazil in the summer of 1985. See US Congress, Senate. Subcommittee on Juvenile Justice of the Committee of the Judiciary. *Searching for Dr. Josef Mengele*. 99th Cong., 1st sess., 19 February, 19 March, and 2 August 1985. (U)

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the end of the war, the Army did not identify him as a war criminal. The fact that Mengele remained in Germany until he escaped to South America via Italy in 1949 resulted from disjointed efforts by the US and Polish Governments to bring him to justice. The Office of Special Investigations found no evidence that either the Counter Intelligence Corps or the Central Intelligence Agency had had any relationship with Mengele in Europe or in Latin America. The investigation did not examine allegations of Mengele's role in drug trafficking in any detail and only briefly discussed the family's business affairs in the United States. (U)

CIA's role in the Mengele investigation consisted of name traces of Mengele, his aliases, personalities associated with him, and various businesses. While the Mengele case had all the signs of a scandal involving the Agency, the OSI investigation found no reason to castigate the CIA. For the most part, the CIA avoided criticism during the investigations of Klaus Barbie, Robert Jan Verbelen, and Josef Mengele. These three cases, among the largest Nazi war criminal investigations of the 1980s, revealed the intricate relationships that the United States had with Nazi war criminals in the years after World War II. While the Central Intelligence Agency was not directly involved with Barbie or Verbelen, it certainly knew about their use by the Counter Intelligence Corps. In Mengele's case, no CIA angle was discovered, but the Agency's research tools proved of great assistance in trying to track down Mengele's movements. (U)

In 1986, the world was rocked by a new scandal as attention shifted to Austria where former United Nations Secretary General Kurt Waldheim's wartime role became

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the subject of intense speculation. The Agency fared far worse in this next major Nazi war criminal case of the 1980s. (U)

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Chapter Twenty

As If It Had Come Off Mr. Waldheim's Xerox Machine (U)

In 1986, the world discovered that Kurt Waldheim, former secretary general of the United Nations from 1972 until 1982 and a candidate for Austria's presidency, had served as a Wehrmacht staff officer in the Balkans during World War II. While he had never denied that he had been in the German army, Waldheim's 1985 autobiography, *In the Eye of the Storm*, lent the impression that his military service had been curtailed after he had received wounds in late 1941 on the Russian front. After his recovery, Waldheim went on to law school in Vienna.[1] As subsequent investigations easily discovered, *Oberleutnant* Waldheim held staff positions in senior army-level commands in Yugoslavia and Greece until the end of the war. The brutal nature of the war against local partisans and Allied commandos coupled with Nazi Germany's brutal treatment of

[1] Kurt Waldheim, *In the Eye of the Storm: A Memoir* (Bethesda: Adler and Adler, 1986). Waldheim's book had first been published in England a year earlier. *Im Glaspalast der Weltpolitik* (Dusseldorf and Vienna: Econ Verlag, 1985), the German-language version of the Waldheim's book contains slightly more details about his military service, including the fact that he served until 1945. Waldheim's other publications, *The Challenge of Peace* (London: Weidenfeld and Nicholson, 1980) and *Building the Future Order: The Search for Peace in an*

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Balkan civilians, including Jews, and Italian prisoners of war after 1943, raised questions about Waldheim's own activities and his knowledge of the German atrocities.[2] (U)

In the midst of Austria's presidential campaign in 1986, Waldheim's military service over 40 years earlier attracted considerable international attention. Waldheim, the candidate of the conservative Austrian People's Party, became a symbol of the unfinished world war. Coming on the heels of Ronald Reagan's controversial visit in 1985 to a German military cemetery in Bitburg, Waldheim's election was seen as yet another milestone in reconciling Europe's past in the context of the continuing Cold War struggle between the United States and the Soviet Union.[3] (U)

Austria, however, appeared to suffer from a sort of historical amnesia about its role in the Third Reich.[4] Austria, which had been occupied by the Allies after the war and became a unified nation in 1955, had long held up its role in World War II as Nazi

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Interdependent World (New York: The Free Press, 1980) do not discuss his pre-UN activities. (U)

[2]In addition to the investigations of Kurt Waldheim conducted by the Austrian magazine, *Profil*, and the World Jewish Congress, there were four official investigations done by the US Department of Justice, the Austrian Government, the British Government, and an independent panel of military historians. Thames Television also produced a televised "trial" of Waldheim entitled "Waldheim: A Commission of Inquiry" in June 1988. Jack Saltman, the show's producer, published his research for Thames Television in *Kurt Waldheim–A Case to Answer?* (London: Robson Books, 1988). (U)

[3]Geoffrey H. Hartman, ed., *Bitburg in Moral and Political Perspective* (Bloomington: Indiana University Press, 1986). See also Deborah Lipstadt, *Denying the Holocaust: The Growing Assault on Truth and Memory* (New York: The Free Press, 1993) and Mary Fulbrook, *German National Identity after the Holocaust* (Cambridge: Polity Press, 1999). (U)

[4]Several articles in Gunter Bischof and Anton Pelinka, eds., *Austrian Historical Memory and National Identity* (New Brunswick: Transaction Publishers, 1997) discuss the "politics of memory" about Austria in the 1930s and 40s. See also George E. Berkley, *Vienna and Its Jews: The Tragedy of Success, 1880s–1980s* (Cambridge: Abt Books, 1988). (U)

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Germany's first victim. The Austrians heralded their limited resistance efforts against the Nazis and had conveniently forgotten, or suppressed, the fact that the country had enthusiastically welcomed its annexation, or *Anschluss*, into the Third Reich in 1938. Many prominent Nazi officials, including Adolf Hitler and the "Architect of the Final Solution," Adolf Eichmann, were natives of Austria. The Nazis, with the active collaboration of many Austrians, destroyed the country's large and important Jewish population. In addition, over a million Austrians served in the German Wehrmacht, while the country's industrial and agricultural resources sustained the Third Reich until the bitter end.[5] (U)

Eli M. Rosenbaum, who headed the investigation into Waldheim's wartime past for the World Jewish Congress (WJC), regarded the case as critical in the struggle for historical memory as the 20th century came to a close. Writing in 1993, Rosenbaum noted:

> In a sense, Waldheim was an unimportant man, who had distinguished himself at the UN more by his mediocrity than anything else. He was eased into diplomatic

[5]By 1945, Austria, for example, produced 10 percent of Nazi Germany's small arms, 20 percent of its locomotives, 30 percent of its aircraft fighters, and 55 percent of its mainstay tank. In addition, some 1.2 million Austrians served in the German armed forces, including 228 as generals and admirals. A total of 247,000 Austrians were killed or reported missing during the war and an additional 24,000 civilians died as a result of Allied bombings. Altogether, some 372,000 Austrians (including Jews and political dissidents) lost their lives between 1938 and 1945, some 5.6 percent of the population. Austria's prewar Jewish population of nearly 200,000 was wiped out as a result of Nazi activities. For further details, see Evan Burr Bukey, *Hitler's Austria: Popular Sentiment in the Nazi Era 1938–1945* (Chapel Hill: University of North Carolina Press, 2000). See also Bruce F. Pauley, *Hitler and the Forgotten Nazis: A History of Austrian National Socialism* (Chapel Hill: The University of North Carolina Press, 1981). (U)

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semiretirement and then won the largely ceremonial post of president of a small European nation that was comparatively unimportant politically, economically, and militarily.

But in another sense, he was a vital symbol. The crimes of the Nazis were not accomplished by a mere handful of evil leaders like Hitler, Eichmann, and the Berlin-based commanders. The execution of those ghastly crimes, on an unparalleled scale, required the complicity of many thousands of people. They were the essential gears in a giant criminal machine. Waldheim was such a gear, a component in a horrific, lawless enterprise that brought devastation, misery, and tragedy to vast areas of Europe. His postwar career was, therefore, an intolerable affront to human decency–as was the conduct of those governments and individuals who had enabled his deception to succeed and who had aided him even after he was exposed.[6] (U)

Allegations about Waldheim's military service prompted Attorney General Edward Meese to direct the Office of Special Investigations (OSI) in the US Department of Justice to open an investigation in March 1986 whether he should be excluded from entering the United States under the provisions of the "Holtzman Amendment." A year later, Meese announced that Waldheim had been placed on the "watch list" of war criminals excluded from entry into the United States. In an unprecedented move, the United States Government formally prohibited Waldheim, who had been elected Austria's president in June 1986, from visiting America in either an official or unofficial capacity.[7] The United States continues to exclude Waldheim to this day. (U)

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[6]Eli M. Rosenbaum with William Hoffer, *Betrayal: The Untold Story of the Kurt Waldheim Investigation and Cover-Up* (New York: St. Martin's Press, 1993), pp. 471-472. (U)

[7]Leslie Maitland Werner, "Waldheim Barred from Entering US over Role in War," *New York Times*, 28 April 1987, pp. A1 and 28. (U)

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Waldheim and the CIA (U)

The Waldheim affair is important for several reasons, not to mention the international isolation that the country faced after Waldheim's election and the lingering effects on relations between Austria and the United States.[8] While the media branded Waldheim as a Nazi and then closed the case after the Attorney General's announcement in April 1987, the Federal government's decision to exclude the Austrian president remains an emotional issue to this day.[9] The controversy surrounding Waldheim also divided the Jewish community. Stunned that an international figure of Waldheim's stature could hide a tainted past, some Jewish activists accused Simon Wiesenthal, Austria's famed "Nazi hunter," of sheltering Kurt Waldheim. This schism continues to be played out years after Waldheim's exposure.[10] (U)

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[8]Richard Bassett, *Waldheim and Austria* (New York: Viking Press, 1989). See also Luc Rosenzweig and Bernard Cohen, *Waldheim*. Trans. by Jospehine Bacon. (New York: Adam Books, 1987). (U)

[9]A retired CIA officer, John R. Mapother, has been one of the most vocal critics of the US Government's decision to bar Waldheim from American soil. See John R. Mapother, *Wie man auf die Watchlist kommt* (Vienna: Iberra and Molden Verlag, 1997). For a translated version, see Mapother, *News as Entertainment: How Austria's Anti-Nazi President Became America's Favorite Nazi Culprit* (Potomac: n.p., 1999). See also Harold H. Tittman III, *The Waldheim Affair: Democracy Subverted* (Dunkirk: Olin Frederick, 2000). (U)

[10]See Alan Levy, *The Wiesenthal File* (Grand Rapids: William B. Eerdmans Publishing Company, 1993) and Simon Wiesenthal, *Justice, Not Vengeance* (London: Weidenfeld and Nicholson, 1989). Rosenbaum's book, *Betrayal*, is as much of an attack against Wiesenthal as it is against Waldheim. For further details, see Jacob Heilbrunn, "Waldheim and His Protectors: The Search for Truth Leads the Author Down Some Surprising Paths," *New York Times Book Review*, 10 October 1993, p. 9. (U)

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The Central Intelligence Agency has endured withering criticism in the media and in the halls of Congress for its failure to know about Waldheim's hidden past. More damning, some critics have charged that the CIA actually knew about Waldheim's wartime service and covered it up for its own clandestine purposes. In the years since the Waldheim case came to light, a steady drumbeat has reverberated in the press that the CIA lied to protect Waldheim. These critics demanded that the US Government force the Agency to open its Waldheim files in order to expose the CIA's duplicity. The Agency, using its often-cited need to safeguard "sources and methods," rebuffed these efforts and fought a long, but in the end, vain fight to preserve the sanctity of its operational records. (U)

The Agency's Late Interest in Waldheim (U)

Waldheim had a normal, if not distinguished, career as an Austrian diplomat when he was elected secretary-general of the United Nations in late 1971. The Agency, meanwhile, did not consider Waldheim of intelligence interest and did not even open his 201, or personality, file until January 1972. Aside from a few scattered references to Waldheim's work in the Austrian Foreign Ministry during the 1950s, the Agency

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conducted its first checks on him only after he rose to the top leadership position in the UN.[11] (S)

While Waldheim was not of particular interest to the CIA until his rise to the helm of the United Nations, the Directorate of Intelligence published some 20 biographical profiles of Waldheim between 1964 and 1987. Interestingly, the Agency's first biographical profile of Waldheim as Austria's ambassador to the United Nations did not even list his military service.[12] By the time that Waldheim became secretary general, the DI reported that he had served in the German army and had been wounded. This report commented, "Waldheim is a devoted friend of the United States, and he has been very cooperative and helpful in promoting US interests. When he was Foreign Minister his personal cooperation was particularly effective in confidentially working out Austrian formulations acceptable to the United States covering such subjects as Vietnam, the Middle East and European security. His long service in the United States," the Agency noted, "has given him an understanding of American thinking and foreign policy objectives."[13] (U)

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[11]The Agency opened its "201" file on Kurt Waldheim on 10 January 1972 [redacted] See Cable, Director to DO, [redacted], 11 January 1972, Director 219714, (S), in Kurt Waldheim, File 201-0896881, Records of the Directorate of Operations (hereafter cited as Waldheim, File 201-0896881, DO Records). (S)

[12]Biographical profile, Kurt Waldheim, July 1964, in Kurt Waldheim "CIA Name File," NARA. (U)

[13]Directorate of Intelligence, Intelligence Memorandum, "Kurt Waldheim of Austria, Secretary General of the United Nations," January 1972, in "CIA Name File," NARA. (U)

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Shortly after his swearing in as the new UN chief, the CIA queried its sources in early January 1972 about rumors that Waldheim had been a member of the Nazi party.[14] One source denied "emphatically" that Waldheim had ever belonged to the National Socialist German Workers' Party, or NSDAP, although he knew that Waldheim had served as a staff officer in the German army. According to this report, Waldheim "never had to make a serious decision himself and he always had superiors who would take the responsibilities for decision and action." He was, in this agent's words, a "colorless bureaucrat."[15] (S)

Headquarters took other steps to check on Waldheim, requesting its base in [redacted] to check with the State Department's Berlin Documents Center to see if Waldheim had a Nazi party membership file. The Base reported that, while there were three men with the same name in the Nazi party, it found no trace that the UN secretary-general had joined the party. "Wish [to] point out," [redacted] reported, "[that] negative trace at BDC not absolute guarantee that individual being traced was not member OS [Austrian] NSDAP. Although it is presumed that master NSDAP card file [is] complete there [is] no way [of] being positive this source."[16] (S)

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[14]For the first inquiry, see Cable, DO/ [redacted] to Director, 4 January 1972, DO [redacted]: 20776, IN 505612, (S), in Waldheim, File 201-0896881, DO Records. (S)

[15]Cable, DO [redacted] to Director, 5 January 1972, New York 20787, IN 506467, (S), in Waldheim, File 201-0896881, DO Records. (S)

[16]See Cable, Headquarters to [redacted] 7 January 1972, Director 219136, OUT 219436, (S), and Cable, [redacted] to Headquarters, 12 January 1972, [redacted] 15294, IN 511536, (S), both in Waldheim, File 201-0896881, DO Records. (S)

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The Agency's station in [redacted] also queried an old source who "reiterated that he considers it very unlikely that Waldheim was a member NSDAP, pointing out that Waldheim's father was fired from his post by Nazis." The source furthermore added, "the rumor [of Waldheim's Nazi membership] might have arisen from stories (which he could not vouch for) that Waldheim during WWII service as a staff officer in Paris had reputation as 'knowing Paris' and arranging gay evenings for VIPs." Station could not find any information detailing Waldheim's wartime service and considered it unlikely–given his postwar duties in the Austrian Foreign Ministery–that he could have been a Nazi.[17] (S)

After this initial examination, the Agency did not actively research Waldheim's wartime service. Instead, the CIA simply kept tabs on Waldheim's official travel, his personal habits, and the activities of his staff. No evidence in the files indicates that he was an agent of the Central Intelligence Agency or the US Army's Counter Intelligence Corps (CIC) before, during, or after his tenure in the United Nations.[18] Likewise, the CIA's records do not provide any leads that Waldheim was a source for the Soviets, the Yugoslavs, or any other communist nation. (S)

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[17]Cable, [redacted] to Headquarters, 17 January 1972, [redacted] 14703, IN 514652, (S). For clarification about Station's use of "gay," see Cable, DO [redacted] to [redacted] 20 January 1972, [redacted] 20910, IN 518332, (S), and Cable, [redacted] to DO [redacted] 21 January 1972, [redacted] 14748, IN 518954, (S), all in Waldheim, File 201-0896881, DO Records. (S)

[18]Waldheim's 201 file contains no information to indicate that the US government had any intelligence interest in Waldheim prior to his rise to the top at the United Nations. Likewise, the CIA also has a 1951 master index card list of sources belonging to the 430th Counter Intelligence Corps Detachment in Austria. Waldheim's name does not appear in the alphabetical section of this list. [redacted]

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Congress Takes Note (U)

Waldheim's World War II activities attracted occasional attention in the United States. After the *New Republic* published two articles on the United Nations and Waldheim, Stephen J. Solarz, a New York Democratic congressman, wrote to Waldheim and to DCI Adm. Stansfield Turner in late 1980 asking several questions to clarify the secretary general's record.[19] On the last day of 1980, Frederick P. Hitz of CIA's Office of Legislative Counsel replied to Solarz, "we believe that Waldheim was not a member of the Nazi Youth Movement, nor was he involved in anti-Jewish activities." Hitz then provided Solarz with a brief synopsis of Waldheim's military record, commenting that he entered the German army at the age of 20 in 1939. Following service as a staff officer with the 45th Infantry Division in Poland and France, Waldheim's "service with this Division ended in 1941 when he received a leg wound" in the Soviet Union. After a lengthy recovery, the Agency told Solarz that the German army discharged Waldheim to return to law school in Vienna. Waldheim received his degree in 1944 and entered the

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[19]Waldheim's 19 December 1980 reply to Solarz is located in Waldheim's 201 file. Solarz's letter to the DCI, however, is not in the file. For details about this correspondence, see Shirley Hazzard, *Countenance of Truth: The United Nations and the Waldheim Case* (New York: Viking, 1990). (U)

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Foreign Ministry in 1945. The Agency could not find any indications that Waldheim had "participated directly or indirectly in anti-Jewish activities."[20] (U)

In 1980, after informing the congressman what it knew about Waldheim's military and civilian careers, the CIA did not follow up on fresh reports received in 1981 that raised new questions about his whereabouts between 1941 to 1945. A source provided a letter from a West German publisher that claimed that Waldheim served as an "aid[e]" to a German general on the Eastern Front who commanded a unit of Russian Cossacks fighting for the Third Reich. An additional report stated that Waldheim commanded a special unit behind Soviet lines and that the Russians had captured him. According to this source, the Soviets released Waldheim while they executed other German officers for war crimes. Consequently, "Waldheim has never forgotten what the Soviets had done for him, and this would explain his lenience toward the USSR."[21] (S)

Headquarters, however, dismissed these reports and reiterated its faith in Waldheim's standard biography. In a message from Washington to various stations, the Agency commented, "the fact that Waldheim has enjoyed a public career of some 35 years without having been 'exposed' in the past through any associations with the Nazis,

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[20] See Hitz to Solarz, 31 December 1980, OLC 80-2248/a, in Waldheim, File 201-0896881, DO Records. Hitz's letter, signed by [redacted], had been based upon research conducted by [redacted]. See also [redacted] Memorandum for the Record, "Inquiry Concerning UN Secretary General Waldheim," 9 March 1981, in Waldheim, File 201-0896881, DO Records. (S)

[21] Deferred Telepouch, DCD/[redacted] to Washington, "Information on Secretary General of UN," 8 December 1981, DCD[redacted]14264, (S), in Waldheim, File 201-0896881, DO Records. (S)

suggests that such allegations have no basis."[22] The Agency's understanding of Waldheim's military activities sufficed until early 1986, when his murky web unraveled. The World Jewish Congress (WJC) and the *New York Times*, responding to press reports and political gossip in Austria about Waldheim, delved deeper into captured German records at the National Archives and quickly uncovered the truth. (S)

Incompetent at Best, Indifferent at Worst? (U)

Between 1986 and 1989, at least five separate investigations by the World Jewish Congress, the Office of Special Investigations, the Austrian Government, the British Government, and by an independent panel of military historians, revealed that Waldheim's military service had been far more extensive than he had led the world to believe. As a result of the Department of Justice's investigation, the Attorney General announced in 1987 that he had placed Kurt Waldheim's name on the immigration "watch list." This action barred Austria's president from visiting the United States because he had "assisted, or otherwise participated in the persecution . . . of person[s] because of race, religion, national origin or political opinion." The OSI investigation specifically cited Waldheim's participation in the transfer of civilians to the SS for slave labor; the mass deportation of civilians to death camps; the utilization of anti-Semitic propaganda;

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[22]Deferred Telepouch, EUR/SAR to DCD. [ ] "Information on Secretary General Waldheim," 23 December 1981, [ ]103304, (S), in Waldheim, File 201-0896881, DO

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the mistreatment and execution of Allied prisoners of war; and the reprisal execution of civilians as the basis for the Attorney General's ruling.[23] (U)

The extent of Waldheim's service in the German army in the Balkans became abundantly clear after these investigations, yet questions lingered as to how he avoided detection for so many years. Hitz's letter to Rep. Solarz in December 1980, essentially exonerating Waldheim, created the impression that the Agency sought to protect the Austrian diplomat. Solarz, testifying at a Congressional hearing in 1986, blasted the CIA's response because "it looked as if it had come off Mr. Waldheim's xerox machine. Their investigation," Solarz declared, "was incompetent at best and indifferent at worst."[24] (U)

New information added to the confusion about Waldheim's relationship to the Americans. The US Army, in fact, had submitted Waldheim's name to the Central Registry of War Criminals and Security Suspects (CROWCASS) while the United Nations War Crimes Commission (UNWWC) had indicted him for murder at the insistence of the Yugoslavs in 1948, but again it was uncertain how Waldheim evaded these charges. Waldheim's tale became even more intriguing when Karl Gruber,

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Records. (S)

[23]A summary of OSI case against Waldheim is found in US Department of Justice, Criminal Division, *In the Matter of Kurt Waldheim* (Washington, DC: US Department of Justice, 1987), pp. 1-3 (hereafter cited as the Waldheim Report). Prepared in April 1987, OSI did not release the report until 1994. (U)

[24]US Congress. House. Subcommittee on Human Rights and International Organizations of the Committee on Foreign Relations. *Allegations Concerning Dr. Kurt Waldheim.* 99th Cong., 2nd sess., 22 April 1986, p. 5. (U)

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Austria's first postwar Foreign Minister, acknowledged that Fritz Molden, an Austrian who worked for OSS and later married the daughter of DCI Allen Dulles, had first proposed that the young Austrian lawyer join the diplomatic corps only months after the war's end.[25] Molden furthermore claimed that he had appointed Waldheim to this new post not only after checking with Austrian officials as to Waldheim's Nazi record, but also after checking with American occupation authorities, including the Army's CIC and OSS.[26] Further examinations of Waldheim's postwar actions indicated that he had supported the Yugoslavs and the Soviets on a number of issues. All of this information lent credence to suspicions that more than one nation wanted to protect Waldheim. (U)

A Ghost from the Past: The SIME Report (U)

In the midst of the mounting scandal, the Agency compounded its December 1980 letter to Solarz with an unfortunate series of blunders. After the scandal broke, Congressional figures demanded that the CIA provide answers to the allegations facing Waldheim. Lee H. Hamilton, chairman of the House Permanent Select Committee on Intelligence (HPSCI), Rep. Solarz, and Sen. D'Amato all asked for full access to the

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[25]Gruber testified in the US Congress as to his relationship with Waldheim. See Ibid, p. 36-37, and Rosenbaum, *Betrayal*, pp. 174-175. (U)

[26]Molden's account can be found in the Austrian government's "White Book," which also examined Waldheim's wartime service and rebutted accusations that he was a war criminal. See *Kurt Waldheim's Wartime Years– A Documentation* (Vienna: Carl Gerold's Sohn, 1987). (U)

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Agency's holdings.[27] The Agency's response was rather perfunctory and simply reiterated the known "facts" in its Congressional correspondence and in briefings to both oversight committees in Congress.[28] In one case, the CIA even relegated Solarz's request for information to the channels of the Agency's Freedom of Information Act office.[29] (U)

The Agency initially had little new information based on reviews of its 201 file. Checks on Waldheim in 1972 had been limited to the Berlin Documents Center and not other archives in the West.[30] As Congressional interest in Waldheim mounted, the CIA undertook an expanded search, locating several additional documents not located in his 201 file that contained references to a Waldheim.[31] At first, the Agency could not ascertain whether they referred to Kurt Waldheim or another person with the same last name. One document, in particular, quickly drew Congressional interest and later media attention. A British intelligence brief from 26 April 1945, known as Security Intelligence

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[27]Hamilton to Casey, 24 March 1986; Solarz to Director, Office of General Counsel, 27 March 1986, OGC 86-01340; D'Amato to Casey, 10 April 1986, ER 86-1625X; all in Waldheim, File 201-0896881, DO Records. (U)

[28]For examples, see "HPSCI Chairman Hamilton's and Congressman Solarz Request for Information on Kurt Waldheim," 25 April 1986, (S); David D. Gries, Director of Congressional Affairs to Hamilton, 25 April 1986, OCA 86-1361(S); Gries to D'Amato, 29 April 1986, OCA 86-1394; [redacted], Deputy Director for Senate Affairs to Bernard McMahon, Staff Director, Senate Select Committee on Intelligence, 28 April 1986, OCA 86-1378, (S); and Gries to Solarz, 1 May 1986, OCA 86-1425, (S), all in Waldheim, File 201-0896881, DO Records. (S)

[29]See Solarz to [redacted], Freedom of Information Act Officer, 8 April 1986, F86-0431, and Gries to Solarz, 1 May 1986, OCA 86-1425, (S), both in Waldheim, File 201-0896881, DO Records. (S)

[30]The CIA explained how it conducted its search in 1972 in a letter to Solarz. See John L. Helgerson, Director of Congressional Affairs to Solarz, 3 June 1988, OCA 88-1735, in Waldheim, File 201-0896881, DO Records. (U)

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Middle East (S.I.M.E.) Report Number 4, contained the interrogation of Hans Jurgen Kirchner, a captured German intelligence officer. In the report, Kirchner described some 238 German intelligence personnel stationed in the Balkans and elsewhere in Europe.[32] (C)

The British provided this report to the Americans at some point at the end of the war, and it was filed at OSS Headquarters in Washington and later transferred to the new CIA in 1947. An altogether unremarkable document, the S.I.M.E. report made a short reference on page 47 to *Oberleutnant* Waldheim. Kirchner briefly described Waldheim as a "subordinate officer to WARNSTORFF in SALONIKA" while also providing some general physical characteristics, such as his height, age, hair and eye color. Immediately below the Waldheim entry is a similar, although slightly more detailed, description of *Oberstleutnant* Warnstorff. The S.I.M.E. report sat in the CIA's files for decades after the war, and it was not cross-referenced or placed in Waldheim's 201 file when it was opened in 1972. Likewise, the Agency did not transfer the S.I.M.E. report with the bulk of its OSS holdings to the National Archives in the 1980s because of its British origins. Thus, the document came to light in 1986 only after the Agency undertook a review of its holdings as a result of worldwide interest in Waldheim. (C)

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[31] [redacted], Chief, Operations Group to [redacted], EPS/LG, "Waldheim, Kurt," 25 April 1986, DOR-02215, (S), in Waldheim, File 201-0896881, DO Records. (S)

[32] S.I.M.E. Report No. 4, 26 April 1945, originally filed as XARZ-8307 in Rome-X-2-PTS-113, XARX-8307, (S), is now found in Waldheim, File 201-0896881, DO Records. (S)

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In 1986, the Agency provided sufficient detail about the report's contents to Congressional inquiries, but it refused to release the report in its entirety to FOIA requesters. The Agency explained that it could not declassify the report because Executive Order 12356 and US Code 403 (g) of the Central Intelligence Agency Act of 1949 required it to protect foreign government information in addition to protecting sources and methods.[33] (C)

Congressman Solarz, apprised of the report's general contents in 1986, demanded a year later that the Agency release the document to the public. "I find this information," Solarz declared, "both surprising and distressing in light of the assurances given me in 1980 that no such reporting existed."[34] In late 1987, David D. Gries, director of the Office of Congressional Affairs, told Solarz that "the 1945 document [the S.I.M.E. report] you cite is not relevant, nor does it speak to your concerns. By way of explanation, we did have the reference to an Oberleutnant Waldheim when we responded to your 1980 request. However," Gries admitted, "at that time, all other available information placed Kurt Waldheim in a civilian capacity in 1945 after being wounded in 1942. The one incomplete reference, which was extracted in our 1986 letter to you, was

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[33]The Agency refused to release the report in response to a FOIA request by the World Jewish Congress. See Lee S. Strickland, Information and Privacy Coordinator to Eli M. Rosenbaum, World Jewish Congress, 9 June 1987, in Waldheim, File 201-0896881, DO Records. (U)

[34]Solarz to the DCI, 23 October 1987, ER 87-4677x, in Waldheim, File 201-0896881, DO Records. (U)

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not adequate evidence to contradict all other known information on the then Secretary General, and so our 1980 letter to you did not mention it."[35] (S)

By 1987, the existence of the 1945 report had become common knowledge because the Agency also refused to release it to the World Jewish Congress. In an effort to bolster Waldheim's case, the Austrian Embassy in Washington telephoned the Central Intelligence Agency in October 1987 and asked that the Americans provide a copy of the report.[36] "The Embassy," Lee S. Strickland, the Agency's Information and Privacy Coordinator recalled, "was highly concerned about the recent spate of news articles which have variously, but all erroneously, stated that the CIA knew Kurt Waldheim was involved in Nazi activities and/or was an agent of American intelligence." After a lengthy discussion, Strickland convinced Christian Prosel, the Austrian counselor, that his government should make a formal request through their ambassador or liaison officer.[37] The following day, the Austrian embassy passed a note to the State Department, expressing its desire to receive a full or redacted copy of the report.[38] (U)

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[35]Gries to Solarz, 16 November 1987, OCA 87-5713. For background material to Gries's reply, see [redacted] to Chief, EUR Division, "Congressman Solarz's Request for Information on Kurt Waldheim," [undated], (S), both in Waldheim, File 201-0896881, DO Records. (S)

[36]"Austria Seeks Waldheim File," *Washington Post*, 21 October 1987, p. A30. (U)

[37]Lee S. Strickland, Privacy and Information Coordinator to DDA et al, "Inquiry from Embassy of Austria," 21 October 1987, (S), in Waldheim, File 201-0896881, DO Records. The Austrians probably reacted to American press accounts, such as "New Links to a Nazi Past?," in *Newsweek*, 5 October 1987, p. 9. (S)

[38]Austrian Embassy, Verbal Note, 22 October 1987, in Waldheim, File 201-0896881, DO Records. (S)

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The official Austrian request presented a new problem for the Agency because it still had an obligation to protect intelligence provided by a foreign government from dissemination to another foreign power. The Agency consequently approached its British counterparts with an unusual request: could the United States provide the Austrians with a copy of the report pertaining to Waldheim and his superior officer? After a week of deliberations, the British Government agreed to release that portion of the 1945 S.I.M.E. report with its brief references to Waldheim and Warnstorff. The Americans, however, could only pass this information to the Austrians with the express indication that the material still retained its secret classification and that it came only from "an allied government."[39] In early November 1987, the CIA passed the sanitized section to the State Department for transfer to the Austrian Government.[40] (S)

Steady Criticism (U)

Waldheim dismissed the S.I.M.E. report after the Austrian Government received the sanitized portion. An independent panel of military historians looking into

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39 [redacted] Chief, EUR Division to Strickland, "Release of Information," 30 October 1987, (S), in Waldheim, File 201-0896881, DO Records. (S)

40 Strickland to Ambassador Rozanne L. Ridgway, Assistant Secretary of State for European and Canadian Affairs, 5 November 1987, (S), in Waldheim, File 201-0896881, DO Records. The Austrian Government used the S.I.M.E. Report as a part of its "White Book" on Waldheim. See *Kurt Waldheim's Wartime Years: A Documentation.* (S)

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Waldheim's role also had little use for it.[41] Despite its overall insignificance, the British press seized upon the 1945 report and suggested that Her Majesty's Government refused to support the Nazi war criminal investigations. A Reuters dispatch quoted an unnamed source that "the United States cannot, in accordance with its agreement with the British, release the document without British permission."[42] Indeed, the British had apparently lost the S.I.M.E. report in the years after the war, and the copy in the CIA's files turned out to be the only surviving example. In 1988, the Directorate of Operations expressed its overall willingness to release the entire report provided that American markings were removed. The British, however, preferred to "hold firm to principle of not releasing any intel docs, no matter how old or innocent."[43] (S)

With its hands tied by the British, the CIA absorbed a steady stream of criticism over the years. Congressman Solarz demanded that the Agency reveal the contents of the 1945 report and inform him if the OSS had conducted any interrogations of Waldheim.[44]

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[41] International Commisison of Historians, *The Waldheim Report* (Copenhagen: Museum Tusculaneum Press, 1993). (U)

[42] Arthur Spiegelman, "British Blocking CIA from Releasing Waldheim Document," Reuters, 2 March 1988. (U)

[43] Cable, Headquarters to [redacted] 'Press Reports on Kurt Waldheim," 1 March 1988, Director 928535, (S), in Waldheim, File 201-0896881, DO Records. Few days later, Headquarters informed [redacted] that "British FCO and MOD are now inclined to quote from and possibly even release 26 Apr 45 S.I.M.E. document as part of Commando investigation and to counter increasingly fantastic press claims as to its content." The Agency told the British that "we cannot strongly object to British release, and that copy being released can even be sourced to USG (or if necessary [CIA]) archives since [CIA] has already surfaced in the press as holder of doc." See Cable, Headquarters to [redacted] "Waldheim Reports/Document," 5 March 1988, Director 937491, (S), in Waldheim, File 201-0896881, DO Records. (S)

[44] Solarz to DCI, 3 May 1988, ER 88-1931x, and Helgerson to Solarz, 8 June 1988, OCA 88-1735, both in Waldheim, File 201-0896881, DO Records. (U)

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In 1989, the British Government cleared Waldheim of any role in the deaths of British military personnel captured in Greece and the Greek Islands in 1943-44.[45] In an official report published by the British Government late that year, the British released a sanitized version of the 1945 S.I.M.E. report.[46] The British, however, neglected to inform the Central Intelligence Agency of this release at that time. Consequently, the Agency continued to withhold the British World War II report until it was finally declassified in 2001. By this time, British intelligence officials had no interest in the S.I.M.E. report and expressed surprise that the CIA had kept it under wraps for so long. (U)

The British 1989 report on Waldheim brought about a wave of fresh criticism against the CIA. In November of that year, A.M. Rosenthal, a columnist in the *New York Times*, recited the story of CIA's 1972 check on the new Secretary General, the Agency's letter to Congressman Solarz in 1980, and the saga of the 1945 British report. Rosenthal quoted Robert E. Herzstein, a University of South Carolina historian and author of a newly published book on Waldheim, who asserted, "now there is proof that the CIA investigated Waldheim, cleared him, declared him to be of operational interest and shielded him. It did so while having in its files at least one document placing Dr. Waldheim in the Balkans, a fact which if published would have unveiled a 30-year

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[45]See Michael Evans, "Waldheim 'Not Linked to Shooting of Britons,'" *The Times* (London), 11 October 1989, p. 24; Michael Evans, "MoD Report Clears Waldheim of Blame over War Murders," *The Times* (London), 18 October 1989, p. 8. (U)

[46]Ministry of Defence, *Review of the Results of Investigations Carried Out by the Ministry of Defence in 1986 into the fate of British Servicemen Captured in Greece and the Greek Islands*

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coverup." Rosenthal, citing Herzstein's research, urged Congress to open the Agency's Waldheim file, "or what remains of it," to determine whether the former UN secretary general was an American "operational asset."[47] (U)

A week later, the World Jewish Congress unveiled its copy of the S.I.M.E. report obtained from "contacts in Europe." "What you have here," Elan Steinberg, the WJC's executive director declared, "is the CIA not only confirming Waldheim's big lie, which is to say his coverup, but a document showing that the CIA knew and, in fact, has known for 40 years that that was a big lie." The World Jewish Congress maintained that the Agency knew about Waldheim's "secret" past even as he was confirmed as UN secretary general in 1971 and later as it responded to Solarz's inquiry.[48] (U)

The reaction to the WJC's release was immediate. In an article entitled "CIA Held File on Waldheim War Role," the *Washington Post* claimed that an unidentified US Government source had confirmed that the document obtained by the WJC was genuine and had been in CIA's files. An Agency spokesman, however, offered no comment and simply replied, "it will take time to investigate this." The *Post* also quoted Prof. Herzstein about why the CIA had this document, but had not reported on Waldheim's military service in the Balkans. "I have to assume there was a pattern of protection," said

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between October 1943 and October 1944 and the Involvement, If Any, of the Then Lieutenant Waldheim (London: Her Majesty's Stationery Office, 1989). (U)

[47]A.M. Rosenthal, "The Waldheim File," *New York Times*, 24 November 1989, p. A35. Herzstein presents his case in his book, *Waldheim: The Missing Years* (New York: Arbor House/William Morrow, 1988). (U)

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Herzstein. "It is conceivable that Waldheim could have been an agent of influence or a source of information about KGB influence in the UN secretariat." Herzstein claimed that the Agency's failure to reveal the existence of the British report was the result of "incompetence or a pattern of protection."[49] (U)

The Decade of the Nazi War Criminal (U)

As the 1980s came to a close, the world had witnessed a crescendo of major Nazi war criminal investigations, including Klaus Barbie, Josef Mengele, and Kurt Waldheim. The CIA was badly hurt by the Waldheim investigations after 1986. The Agency's missteps were compounded by its cursory background check on the new UN secretary general in 1972 and its stubbornness to declassify relevant documents, such as the 1945 British intelligence report. These would come back to haunt the Agency. (U)

The major Nazi war criminal investigations of the 1980s provided gist for speculation about the Agency's role since World War II. The investigations by the GAO and OSI failed to dampen suspicions about the CIA; on the contrary, they spurred further criticism and new demands to "open the files." With the fall of the Berlin Wall in 1989 and the collapse of the Soviet Union two years later, these calls grew louder. The Agency

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[48]Dennis Hevesi, "CIA Document Said to Contradict Waldheim," *New York Times*, 30 November 1989, p. A13. (U)

[49]Arthur Spiegelman, "CIA Held File on Waldheim War Role: Record Names Former UN Leader as German Intelligence Liaison," *Washington Post*, 30 November 1989, p. A51. (U)

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found itself pressed to explain its relationships with Nazi war criminals and collaborators. The end of the Cold War opened a new chapter in the Agency's involvement in the Nazi war criminal investigations, by now the longest external examination of the Central Intelligence Agency. (U)

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CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
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DoJ/OSI

Chapter Twenty-One

An Enduring Legacy (U)

The collapse of the Soviet Union and the end of the Cold War marked the biggest development in the Nazi war criminal investigations since the Nuremberg trials. For the first time since the end of World War II, tensions between East and West no longer complicated the pursuit of justice. As a result, the scope of the investigations dramatically increased. Neal M. Sher, who succeeded Allan A. Ryan, Jr., as the director of the Office of Special Investigations in 1983, declared ten years later, "people expected this office would have been out of work years ago, but we're busier now than we've ever been."[1] (U)

As the former Warsaw Pact countries experienced the first taste of democracy, US investigators gained entree into many of the Russian and other Eastern European archives that had never been accessible. The records provided bountiful new leads on Eastern European collaborators, who had committed atrocities and later had immigrated to the United States.[2] By 1999, OSI's investigations had resulted in the denaturalization of 63 individuals, and the deportation of 52 war criminals from the United States. The

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[1]Michael Isikoff, "Nazi-Hunting Office is Busier than Ever," *Washington Post*, 3 May 1993, p. A17. (U)

[2]Jane Mayer, "With Cold War Over, More Escaped Nazis Face US Deportation," *Wall Street Journal*, 16 April 1991, pp. A1 and A4. The opening of the STASI files in East Germany is also a bonanza for war criminal investigators. See Michael Shields, Reuters, "East German Files Cast Light on Nazi War Criminals," 1 May 1996. (U)

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Department of Justice's "watch list" had also prevented the entry of 150 suspected Nazis at American ports. (U)

Public interest in the Nazi war criminal investigations experienced a worldwide rejuvenation with the commemoration of the 50th anniversary of World War II. In the United States, the opening of the US Holocaust Memorial Museum in 1993 told the horrors of the Third Reich to a new generation, and the museum quickly became one of Washington's most popular tourist sites.[3] The prospects of "ethnic cleansing" in the Balkans and elsewhere raised painful memories of how the world had failed to stop the Nazis before the outbreak of world war. As the 20th century came to a close, students of the Holocaust as well as the surviving victims themselves grew concerned that the lessons of mass murder were being lost. As the Holocaust survivors died in increasing numbers, the Jewish community grappled with the need to obtain a final accounting of the material losses while fighting to preserve the memory of the Holocaust.[4] (U)

Confronting Painful Pasts: France (U)

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[3]In addition, the Holocaust Museum offered scholars a first-rate library and research institution with records collected from countries throughout the world. The museum promised to spark renewed historical interest in the World War II period. See Sybil Milton, "Re-Examining Scholarship on the Holocaust," *The Chronicle of Higher Education*, 21 April 1993, p. A52.

[4]Marc Fisher, "Fragments of Memory," *Washington Post*, 7 April 1998, pp. D1 and D2. (U)

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Klaus Barbie's trial resurrected the controversial subject of collaboration between the Nazi occupiers and their Vichy sympathizers.[5] In 1993, the murder of Rene Bousquet clearly highlighted the difficulty that France had in facing its own past, despite its longstanding efforts to emphasize France's resistance activities.[6] In early 1994, the French Government finally charged Paul Touvier with crimes against humanity for the execution of seven Jews in 1944. A year later, Jacques Chirac, France's president, openly discussed how France had facilitated the deportation of the Jews to Nazi concentration camps.[7] In 1996, France launched a highly public trial of Maurice Papon, a senior French Government official in the 1970s and the former chief of police in Paris. Papon faced charges of deporting nearly 2,000 French Jews, including children, to Germany where the Nazis killed them. The case, in its twists and turns, attracted international attention as late as 2003.[8] (U)

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[5]The French finally took steps to have Barbie extradited after years of efforts by Serge and Beate Klarsfeld. See Charles Truehart, "A Nation's Nagging Conscience," *Washington Post*, 17 April 1997, pp. C1 and C4. Marcel Ophuls's 1970s documentary, "The Sorrow and the Pity," also highlighted the underside of France during World War II. (U)

[6]The French president in the early 1990s, Francois Mitterand, had also worked in the Vichy regime following his release from a German prisoner of war camp. See Alan Riding, "Vichy Aide Accused of War Crimes is Slain in France," *New York Times*, 9 June 1993, p. A3. (U)

[7]Alan Riding, "France Confronts its Past in a Collaborator's Trial," *New York Times*, 16 March 1994, p. A3. Marlise Simons, "Chirac Affirms France's Guilt in Fate of Jews," *New York Times*, 17 July 1995, pp. A1, 3. (U)

[8]Anne Swardson, "French Ex-Official Faces War Crimes Trial," *Washington Post*, 19 September 1996, p. A23. In 1997, Archbishop Olivier de Berranger apologized for the Roman Catholic Church's silence on the deportation of French Jews. See Charles Truehart, "A Wartime Scar Heals; Another is Reopened," *Washington Post*, 1 October 1997, p. A19. The Papon case took a new turn in 1999 when Papon fled from France in an effort to avoid his ten-year prison sentence after being found guilty in 1998 of helping to transport Jews to Nazi death camps. Suzanne Daley, "Facing Jail, Vichy Aide Says He'll Go into Exile," *New York Times*, 21 October 1999, p. A11. Papon later returned to France and was jailed, only to be released because of poor health.

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Confronting Painful Pasts: The Baltic Countries (U)

Other countries throughout the world also confronted their own Nazi legacies with some surprising results.[9] For the new nations in Eastern and Southern Europe, the war's memory was indeed entangled as the Baltic countries, Estonia, Latvia, and Lithuania, have all learned since the 1990s. Scores of individuals from these countries had collaborated with the Nazis during the war and later fled to the West; in some cases, Western intelligence recruited former Nazi collaborators to work against the Soviets. In the spring of 1991, the Office of Special Investigations examined records pertaining to Bronislovas Ausrotas, a Lithuanian, [redacted] Ausrotas, it turned out, had served in the Lithuanian army before that country's invasion by the Soviets. Fleeing to Germany, he worked as an interpreter and then in the German military.[10] OSI did not file suit against Ausrotas because he had died, and it closed the case in December 1993. (S)

In September 1994, OSI filed suit against Aleksandras Lileikas for commanding the Vilnius province element of the Lithuanian Security Police, known as the *Saugumas*,

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See Alan Riding, "European Court Says Nazi Ally was Denied Fair Trial by France," *New York Times*, 26 July 2002, p. A5; Elaine Sciolino, "French Free Top Civilian Official Jailed for War Crimes," *New York Times*, 19 September 2002, p. A3; and "France: Vichy Official Will Stay Free," *New York Times*, 14 February 2003, p. A8. (U)

[9]Over the years, reports had pinpointed Alois Brunner as living in Syria. Brunner, an SS captain and aide to Eichmann, remains the most notorious war criminal still at large. Elliot Welles, "Where is Brunner?," Washington *Times*, 20 September 1995, p. A21. (U)

[10][redacted], IMS/Litigation Support Staff to OGC, "Nazi War Crimes Investigation–Bronislovas Ausrotas," 10 June 1991, XAN-2147, (S), in OGC, Nazi war criminal files. (S)

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which had participated in the roundup and murder of thousands of Jews. While OSI initially reviewed Lileikas's DO file in 1983, it took 11 years for the Department of Justice to take the case to court until it located corroborating evidence in newly opened files in Eastern Europe. Lileikas, while still in Germany, had worked briefly for CIA during the 1950s. A Federal court stripped him of his American citizenship in 1996, but he fled to his native land before immigration authorities could deport him.[11] (U)

The Lithuanian Government proved to be slow in taking any action against Lileikas. Even before he had escaped from the United States, the Lithuanian Government declined to take any action against Lileikas.[12] He was greeted with a hero's welcome, and the Lithuanian state prosecutor's interrogations were friendly despite his well-documented background. The Lithuanians still took no action against Lileikas and, in fact, reversed Soviet-era court convictions of other Lithuanians charged with collaboration with the Nazis as "frame-ups."[13] It was, as the head of the Boston Anti-Defamation League stated, "the glorification of the war criminal as the victim. There's strong forces for denial in Lithuania," Leonard Zakim told the American press.[14] (U)

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[11]Pierre Thomas, "US Seeks to Deport Immigrant, 87, For Role in Deaths of Lithuanian Jews," *Washington Post*, 22 September 1994, p. A3; Kevin C. Ruffner, CIA History Staff to J. Kenneth McDonald, "Aleksandras Lileikis," 26 September 1994, (S), in DCI/HS Records, Nazi war criminal files. "Accused of Aiding Nazis, Man Returns to Lithuania," *New York Times*, 20 June 1996, p. A7; Judy Rakowsky, "Alleged Collaborator is Called Hero in Lithuania," *Boston Globe*, 12 November 1996, p. B3. (S)

[12]Associated Press, "No Prosecution of Alleged War Criminal," *Washington Post*, 10 February 1995, p. A16. (U)

[13]Daniel Williams, "Lithuania Vows to Speed Up Nazi-era Prosecutions," *Washington Post*, 27 January 1998. (U)

[14]Judy Rakowsky, "Alleged Collaborator is Called Hero in Lithuania," *Boston Globe*, 12 November 1996, p. B3. (U)

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Efraim Zuroff at the Simon Wiesenthal Center in Israel charged in 1998 that "Lithuania continues to live in denial" while refusing to take responsibility for its role in the murder of over 200,000 Jews. Valda Adamkus, the new president of Lithuania and an American emigre who had returned after a 50-year absence, proclaimed, "the crimes were individual acts. The Lithuanian nation did not commit them." While Adamkus promised to take steps against Lithuanian war criminals, the Lithuanian Government, in reality, took few steps.[15] In 1999, Eli M. Rosenbaum, the director of OSI, accused the Lithuanians of lacking the political will to tackle prosecutions for wartime crimes. When Rosenbaum learned that a Lithuanian court had declared that Liliekas was medically unfit to stand trial, the OSI director exclaimed, "this is an outrage. The US Government has specific, verified information that Lileikas has been feigning illness. He is fit to stand trial."[16] (U)

Facing the threat that the United States would move to block Lithuania's entry in NATO over its dearth of Nazi investigations, the country's parliament changed its trial code to allow for prosecutions to continue even if the defendants were too sick to be physically present in court.[17] By this time, the US Government had deported four members of the *Saugumas*, to Lithuania: Aleksandras Lileikis in 1996, Kazys Gimzaukskas in 1996, Adolph Milius in 1997, and Aloyzas Balsys in 1999.[18] As it

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[15]Ibid. (U)

[16]"US Blasts Lithuania for Delay in WWII Trial," Washington *Times*, 1 February 1999, p. A6. (U)

[17]"Nazi Trials to Resume in Lithuania," *Washington Post*, 16 February 2000, p. A18. (U)

[18]Reuters, "Alleged Nazi Ally Departs US in Deal," *Washington Post*, 31 May 1999, p. A10. (U)

turned out, a Lithuanian judge indefinitely suspended charges against Lileikis because of his health in 2000.[19] A year later, a Lithuanian court also lifted the sentencing of Lileikis's deputy, Kazys Gimzaukskas, because he suffered from Alzheimer's disease.[20] (U)

Despite appeals from the Jewish community to speed up indictments of war criminals in Lithuania, indictments were slow in coming. The war crimes trials appeared to have gotten nowhere in post-Soviet Lithuania.[21] (U)

The same proved true for Latvia, which found itself involved in an acrimonious dispute over the veterans of World War II. Latvians had fought on both sides during the war, with large numbers serving in the Red Army or as partisans. A substantial number of Latvians, however, supported the Nazis, including a large contingent of members of the Latvian SS Legion. During the Cold War, the Soviets branded the Latvian Legionnaires as fascists and repressed those who remained in the country. With Latvia's freedom, however, the pro-German, anticommunist Latvians turned the books against the pro-Russian Latvians. (Latvia has a large ethnic Russian population.) In March 2000, a

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[19]Associated Press, "Judge Halts Lithuanian War Crime Trial," *Washington Post*, 4 July 2000, p. A16. (U)

[20]Michael Wines, "Lithuania: Conviction in Death of Jews," *New York Times*, 15 December 2001, p. A6. See also FBIS translation, "US Hunter Praises Lithuania for 'Historic Victory' in War Crimes Trials," Vilnius *Lietuvos Rytas*, 19 February 2001. (U)

[21]FBIS translation, "Lithuania's Jews Urge Prosecutors to Investigate Early WWII Mass Murder Case," Vilnius *Lietuvos Zinios*, 11 September 2002. (U)

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Latvian court convicted a Soviet Latvian partisan of war crimes in the deaths of six villagers in 1944.[22] (U)

The case quickly became a test of how Latvia viewed its wartime role. Veterans of the Latvian Legion took to the streets to proclaim their vindication for fighting the Soviets. Images of former Nazi veterans marching in Riga, the Latvian capital, became a public relations nightmare as Latvia wanted to join NATO and the European Union. "The West," a reporter wrote, "is uncomfortable with the rehabilitation of men who fought with the Nazis." The Latvian undersecretary of state assured Western reporters that Latvia planned to take on cases against Nazi war criminals. Armands Gutmanis announced, "we have no trouble dealing with the Holocaust . . . . What worried Latvians is that our friends pay little attention to Soviet crimes."[23] (U)

Estonia, like its neighbors Latvia and Lithuania, also had trouble in coming to terms with its divided past. In 1995, the Estonian government ended its investigation of Harri Mannil, an Estonian emigre and wealthy businessman in Venezuela, suspected of

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[22]Daniel Williams, "In Latvia, World War II Isn't Quite Over," *Washington Post*, 20 March 2000, p. A13; Michael Wines, "Latvians Can't Escape Cold War's Divisive Legacy," *New York Times*, 20 May 2001, p. 3. (U)

[23]Ibid. At the time, the Latvian Government had one pending Nazi war criminal case. KonrDC Kelejs, an alleged member of the wartime Latvian *Arajs* militia that murdered Jews, had fled from Great Britain to Australia to avoid investigators in 2000. A Latvian prosecutor claimed that the government was investigating charges against Kelejs before pressing for his extradition. The Latvian Government, however, expected that DCditional trials of Nazi collaborators in Latvia were unlikely due to the number of cases prosecuted by the Soviets in the aftermath of the war. For background information on the Kelejs case, see FBIS translation, "UK: Witness Reports on War Crimes Suspect," 3 January 2000. A bounty program sponsored by the Simon Wiesenthal Center to identify Nazi war criminals in Latvia brought only one response. See FBIS translation, "Only One Latvian Replies to Invitation to Inform on Nazi War Criminals," Riga *Leta*, 11 September 2002. (U)

participating in war crimes while he was a member of the Estonian Political Police during World War II. A year earlier, the Office of Special Investigations had placed Mannil's name on the "watch list" to prevent him from entering the United States. In 2001, the Estonians reopened its investigation of Mannil after an Estonian commission examining wartime activities in that country declared that as a general policy, it was reasonable to hold members of the Estonian Security Police responsible for war crimes. Shortly later, Efraim Zuroff, the director of the Simon Wiesenthal Center in Israel, visited Estonia, claiming to have new evidence in the Mannil case.[24] (C)

Consequently, the Estonians reopened its investigation of Mannil, but expressed concern that it lacked sufficient evidence to press for his extradition from South America. In 2002, the Estonians turned to the United States for assistance in pursuing the Mannil case and requested that two investigators join OSI in interviewing witnesses in the United States. The Estonians claimed that it "attaches great importance to investigating all crimes against humanity, and the Holocaust in particular." The Simon Wiesenthal Center, on the other hand, noted in its 2002 report that Estonia had yet to prosecute anyone for war crimes. The Estonian police claimed that its investigations were handicapped because the Soviets had already prosecuted Nazi collaborators. "Thus," the State Department reported in 2002, "there was little likelihood that persons who committed war crimes were still alive in Estonia."[25] (C)

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[24]Cable, Tallinn to State, "Suspected Nazi Persecutor Harri Mannil–GOE Request for Participation in US-Based Investigation," 2 May 2002, Tallinn 00513. (C)

[25]Ibid. In 2002, the State Department's Special Envoy for Holocaust Issues, Randolph Bell, spent one day in Tallinn where he met with the Estonian officials to discuss the country's efforts

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Confronting Painful Pasts: Croatia (U)

Even more so than the Baltic countries, the new nations of the Balkans were hard-pressed to deal with the horrors of World War II. Born out of the violence that accompanied the breakup of Yugoslavia, Croatia played a notorious role in World War II as an Axis partner. After its independence in 1991, the Croatian Government, under President Franjo Tudjman, had celebrated the wartime Croatian fascist regime known as the Ustashe. Tudjman vehemently denied that the Ustashe had committed atrocities during the war, and he appointed surviving Ustashe to high-level government posts. The Croatian fascists, under Ante Pavelic, murdered thousands of Jews and even greater numbers of Serbs. After the war, many of the Ustashe escaped from Croatia and settled in Argentina.[26] (U)

In April 1998, the Argentine Government deported Dinko Sakic to Croatia to stand trial as the commander of the infamous Jasenovac and Stara GrDCiska concentration camps. From 1942 until 1944, Sakic earned a bloody reputation for his ruthless murder of Jews, Serbs, and others who opposed the Ustashe regime. Sakic, who had escaped after the war to Argentina and headed up Ustashe emigre activities in the Latin American country, remained defiant about his role as did his wife, Nada Luburis

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to broDCen awareness of the Holocaust. See Cable, Tallinn to State, "Holocaust Special Envoy Visit to Estonia," 4 September 2002, Tallinn 01009. (C)

[26]Andrew Borowiec, "Croatian-run Death Site Remains Dark Secret," Washington *Times*, 5 July 1994, p. A10. (U)

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(she later changed her first name to Esperanza), who reportedly headed the women's section of the camps. In June 1998, Sakic arrived in Zagreb and was taken to prison, but outside observers feared that the Tudjman government would take no action against him.[27] Later in November, the Argentines also expelled Sakic's wife, and the Croats placed her under arrest. (U)

The trials of Nada Sakic and Dinko Sakic attracted attention as one of the last trials of those who ran concentration camps during the war.[28] A Croatian court dismissed charges against Nada Sakic in February 1999, because no witnesses could confirm that she participated in the torture, terror, and intimidation of female prisoners at Jasenovac.[29] In a surprise ruling, the Croatian court found Dinko Sakic guilty of carrying out and condoning the torture at Jasenovac, the worst of some 20 camps run by the Ustashe. Sentencing Sakic to the maximum term of 20 years in prison, Chief Judge Drazen Tripalo said, "we hope that the sentence–mDCe 55 years after the events – will be a warning that all those who committed crimes in the near or distant past will not escape justice. We also hope," the court stated," that the verdict will be a warning for the future." Foreign observers hailed Sakic's conviction as a landmark development for postwar Croatia. "Today should be a proud day for Croatia," said Tommy Baer, former

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[27]Chris Hedges, "War Crimes Horrors Revive as Croat Faces Possible Trial," *New York Times*, 2 May 1998, pp. A1 and A4; Anthony Faiola, "Extradition–to a Hero's Welcome?" *Washington Post*, 6 May 1998, pp. A21 and A26. (U)

[28] Guy Dinmore, "Croatia Confronts Its Past as War Crimes Suspect Returns," *Washington Post*, 19 June 1998, p. A35. (U)

[29]Associated Press, "Croatian Suspect in World War II Torture is Freed," *New York Times*, 2 February 1999, p. A3. (U)

president of the Jewish group B'nai B'rith. "Croatia has shown that it does not fear facing its past and learning a lesson from the painful chapter of its history."[30] (U)

Confronting Painful Pasts: Argentina (U)

Perhaps even more surprising than Croatia or the Baltic States, Argentina in the 1990s took several major steps to exorcise the ghosts of its Nazi past. In 1991, Argentina announced that it planned to open its files to determine how many Nazi war criminals and collaborators had sought refuge in that South American country. Two years later, researchers concluded that they had accumulated some 1,000 names, including dozens of Ustashe supporters of Ante Pavelic, the leader of the pro-Nazi regime in Croatia.[31] In 1998, Argentinean researchers reported that they had discovered that most Nazis who had fled to Argentina after the war had arrived in Argentina with passports issued by the International Red Cross in their real names. This information contradicted previous reports stating that the Peron regime had given passports to the former Nazis using false names.[32] (U)

Yet, some still regarded Argentina's steps as insufficient. Elan Steinberg, the executive director of the World Jewish Congress, called for the release of all Argentine

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[30]Snjezana Vukic, Associated Press, "Croat, 78, Gets 20 Years for Crimes at Death Camp," Washington *Times*, 5 October 1999, p. A16. (U)

[31]Nathaniel C. Nash, "Argentina Files Show Huge Effort to Harbor Nazis," *New York Times*, 14 December 1993, p. A10. (U)

[32]"Nazis Entered Argentina Under Own Names," *Washington Post*, 10 March 1998, p. A12. (U)

bank records to follow the Nazi money trail. "We're asking for both moral and material restitution," Steinberg declared.[33] Some Jewish groups, on the other hand, praised the Argentine Government for its efforts to release information on the Nazis and their collaborators in that country. President Carlos Saul Menem's establishment of a "truth commission" in 1997 was hailed as a step forward.[34] (U)

Argentina continued to make progress as it reexamined its past. In December 1998, Argentina's Minister of the Interior said that Pres. Menem planned to propose that other South American countries, including Bolivia, Brazil, and Chile, establish their own Nazi investigating commissions. The Simon Wiesenthal Center wanted to take Menem's idea one step further to create a regional commission with members from various countries.[35] Just before Menem's call, the Commission for the Clarification of Nazi Activities in Argentina (known by its Spanish abbreviation as CEANA), issued the first report of its findings in November 1998. Perhaps the most controversial finding was the Commission claim that only 150 war criminals entered Argentina, a figure immediately disputed by Jewish organizations.[36] (U)

In June 2000, Argentina's new president, Fernando de la Rua, came to Washington to meet with President Bill Clinton. At a ceremony at the Holocaust

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[33]Ann Louise Bardach, "Argentina Evades Its Nazi Past," *New York Times*, 22 March 1997, p. 25. (U)

[34]Calvin Sims, "Argentina, Once Nazi Haven, Now Hailed by Jews," *New York Times*, 19 April 1997, p. 6. (U)

[35]David Haskel, Reuters, "Wider Campaign of Nazi Hunting in Latin America Sought," Seattle *Times*, 4 December 1998. (U)

[36]Uki Goni, "Argentina Confronts Links with Nazis," Manchester *Guardian Weekly*, 29 November 1998. (U)

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Museum, de La Rua apologized for Argentina's role in the Holocaust.[37] Later that summer, the Argentine Foreign Minister asked Secretary of State Madeleine Albright for US assistance in tracking down documents about the immigration of Nazis to Argentina after the war. The Argentine Foreign Minister hoped to coordinate American efforts with CEANA. The American press hailed these moves as a means of solidifying the Jewish community's support in Argentina, the largest Jewish population in Latin America.[38] (U)

The outlook changed dramatically by 2003 when a new government clamped down on openness. "It's an embarrassment," said Sergio Widder, the Latin America representative of the Simon Wiesenthal Center. Argentina refused to declassify its records relating to Nazis who came to Latin America and how they were aided by the government and the Roman Catholic Church.[39] (U)

Confronting Painful Pasts: Italy (U)

Measures taken by Argentina to expel war criminals from its shores in the 1990s reopened old cases throughout Europe. In 1994, four years before Argentina deported Dinko Sakic and his wife, Nada Sakic, to Croatia, the Argentine Government arrested Erich Priebke, a German SS officer accused of murdering 335 Italians in 1944 in

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[37]Hugh Bronstein, Reuters, "Argentine to Apologize for its Role in Hiding Nazis," Seattle *Times*, 13 June 2000, p. A9. (U)

[38]Gilbert Le Gras, Reuters, "Argentina Asks US for Help in Search for Nazis," Washington *Times*, 18 August 2000. (U)

[39]Larry Rohter, "Argentina, a Haven for Nazis, Balks at Opening Its Files," *New York Times*, 9 March 2003. (U)

retribution for partisan actions. Priebke claimed that he escaped from Italy in 1948 and moved to South America through the assistance of the Catholic Church.[40] After some debate, Argentina deported Priebke to Italy where a military judge ordered the 82-year old man to stand trial in April 1996, the first such trials in that country since 1948.[41] This trial brought new surprises, including the reemergence of Karl Hass, the former SD major who had worked for the Counter Intelligence Corps in Italy after the war. When the CIA rejected using him in the 1950s, Hass had dropped out of sight. His extradition from Switzerland to testify at Priebke's trial in Rome raised new questions and harkened shades of Klaus Barbie.[42] (C)

At the end of July, a military appeals court rejected a motion by lawyers of the relatives of the victims to dismiss the three-judge panel for alleged judicial bias in favor of Priebke.[43] A day later, the military appeals court found Priebke guilty of the charges, but released him on the grounds that the statue of limitations on wartime murder had expired. That decision shocked the Italian people and protesters quickly seized the

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[40]Paul Holmes, "Captured Nazi Says Vatican Helped Him Escape from Italy," Washington *Times*, 11 May 1994, p. A10, and Reuters, "Italy Asks Argentina to Extradite Ex-Nazi," *New York Times*, 8 June 1994, p. A15. For earlier discussion of the Vatican's role, see Ralph Blumenthal, "Vatican is Reported to have Furnished Aid to Fleeing Nazis," *New York Times*, 26 January 1984, pp. A1 and A14. For a discussion of the execution of Italian civilians in 1944, see Robert Katz, *Death in Rome* (New York: MacMillan Company, 1967). (U)

[41]Georg Bonisch, "His Name is Priebke," *Der Spiegel*, 3 September 1995, pp. 98-101; Calvin Sims, "In Nazi's Hiding Place, the Stain Won't Wash Away," *New York Times*, 30 October 1995, p. A4; Daniel Williams, "Nazi Horror Still Haunts Eternal City," *Washington Post*, 22 November 1995, pp. A19, 23; John Tagliabue, "Ex-Nazi Faces Trial in Italy in Cave Killings," *New York Times*, 5 April 1996, p. A9; and Daniel Williams, "Ex-Nazi's Trial, Book on Gassing Brings Facism Back into Focus," *Washington Post*, 7 May 1996, p. A14. (U)

[42]"The Nazi and the Protection Racket," *The Independent*, 13 June 1996. (U)

[43]Reuters, "Court Denies Dismissal Motion," *Washington Post*, 31 July 1996, p. A28. (U)

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courthouse and blocked Priebke from leaving.[44] International reaction to the verdict was also swift. Germany demanded Priebke's extradition, and Argentina refused to allow him to return to that country.[45] (U)

A few hours after his release, the Italian justice minister rearrested Priebke on charges that he had killed 14 other political prisoners in June 1944.[46] At the same time, the Italians also arrested Hass, who had been confined to an Italian military hospital after he had attempted to escape in June 1996 and suffered a broken pelvis. The Italians felt that Hass had not been as forthright about his role in the Ardeatine caves massacre.[47] Using the Priebke case as a justification, the Italians also reopened a long-forgotten case against two other German SS officers, Karl Titho and Hans Haage, for executing Italian military personnel and civilians at a concentration camp near Fossoli di Carpi near the northern Italian city of Modena.[48] (U)

In the meantime, Priebke remained in a cell at the Regina Coeli jail–the same prison where he had collected his hostages in 1944. He bemoaned his fate and told an Italian legislator that he recognized his mistake. "Do you know what my mistake was?,"

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[44]The New York Times, for example, discussed the Priebke case in an editorial. See "A Nazi's Flawed Trial," *New York Times*, 8 August 1996, p. A26. (U)

[45]Vera Haller, Reuters, "Rome Atrocity Panel Frees Ex-Nazi Officer," *Washington Post*, 2 August 1996, p. A16; Celestine Bohlen, "Italian Court Throws Out Case in 1944 Rome Massacre," *New York Times*, 2 August 1996, p. A3; Reuters, "Germany Seeks Extradition of Ex-Nazi," *Washington Post*, 14 August 1996, p. A22. (U)

[46]Associated Press, "Ex-Nazi Faces Inquiry in Hero's Killing," *Washington Post*, 8 August 1996, p. A24. (U)

[47]Hass testified on Priebke's behalf and said that Priebke would have been killed if he had not obeyed the order to kill the Italians in retribution for the partisan attack on the German troops. See "Ex-Nazi Backs Up Comrade," Hartford *Courant*, 13 June 1996. (U)

[48]John Tagliabue, "Italy Reopens Old Inquiry into 2 Ex-Nazis in Killing of Prisoners," *New York Times*, 11 August 1986, p. 6. (U)

he asked. "To be the last." In October 1996, Italy's highest court overturned the verdict of the military tribunal and ordered the German to be held for a new trial. Observers worried that the Italians, however, lacked the impetus to convict Priebke for his role in the murder of Italian civilians, despite the flood of new evidence against the German SS officer. "All of this information is coming out at a point when it is too late for the war crimes trials, too late for the families of the victims," commented Shimon Samuels, a member of the Simon Wiesenthal Center. "The Priebke case is the last push, which is why I am worried that it could get bogged down."[49] (U)

In April 1997, the Italians opened a new trial against Erich Priebke and Karl Hass. Priebke attended the first day of court at the Rebibbia prison, but claiming that he was in poor health, the Italians allowed him to remain in house arrest at a Franciscan monastery outside of Rome. Hass, whom the Italians also charged with shooting two Italians, did not appear in court as he was still recovering from his injury the previous summer.[50] By July, the three member civilian court found both Priebke and Hass guilty of the charges that they had killed civilians. Priebke was sentenced to 15 years in prison with 10 years suspended under an amnesty law. Hass, in turn, received a suspended 10-year, eight month sentence. Rome's mayor proclaimed that "after the terrible and painful events which followed the first trial, the fact that the court affirmed there is no statue of

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[49]Celestine Bohlen, "Nazi's Case Forces Italy to Revisit Sore Subject," *New York Times*, 20 October 1996, p. 4; Reuters, "Rome Court Orders Retrial of Ex-Nazi in WWII Atrocity," *Washington Post*, 16 October 1996, p. A17. See also Robert Katz, "The Last Nazi Trial," *MHQ: The Quarterly Journal of Military History* 8 (Summer 1996), pp. 74-79. (U)

[50] Candice Hughes, Associated Press, "Nazi's Second Trial Sparked by Ire over Results in First," Washington *Times*, 15 April 1997, p. A15; Vera Haller, "Retrial of Ex-SS Officer Opens with 2nd Defendant," *Washington Post*, 15 April 1997, p. A20. (U)

limitations for war crimes in Italy is very important for civil justice in the world, because it applies to all war criminals like those in the former Yugoslavia and the Great Lakes region of Africa."[51] (U)

Following the second trial, the Italian Government placed Priebke in a military hospital to serve his sentence, while Hass would be confined to the Castel Gandolfo clinic.[52] In early 1998, an Italian military appeals court upheld the convictions of both Priebke and Hass and upgraded their sentences to life imprisonment. Priebke's lawyers announced that they would take his case to the European Court of Human Rights to fight the new prison term.[53] The Italian Court of Cassation, the highest court in the land, upheld the tougher terms for both men later in November 1998.[54] In the meantime, the Italians relented, and said they would allow Priebke to serve the remainder of his sentence under house arrest.[55] Hass was also released from a military prison hospital and permitted him to stay in a private clinic in Rome.[56] (U)

As late as 2002, the Italians continued to fight with Priebke. In April, the Court of Cassation rejected Priebke's request for a pardon following a similar move in July

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[51] Vera Haller, "2 Ex-Nazis Convicted of War Crimes," *Washington Post*, 23 July 1997, p. A18. (U)

[52] Reuters, "Court Moves War Criminal," *Washington Post*, 7 August 1997, p. A29; see also Xinhua News Agency, "Italy Transfers Convicted Ex-Nazi Officer to Military Jail," 19 November 1998. (U)

[53] Associated Press, "Former Nazi to Appeal a Life Sentence in Italy," *New York Times*, 9 March 1998, p. A5. (U)

[54] Xinhua News Agency, "Italy Maintains Life Sentences for Ex-Nazi Officers," 19 November 1998. (U)

[55] "Nazi Under House Arrest," *Stars & Stripes*, 10 February 1999. (U)

[56] Reuters, "Aus Gesundheitlichen Gruenden Ex-SS-Officier Hass aus Haft Entlassen," *Suddeutsche Zeitung*, 22 February 1999. (U)

2001 by the military court of appeals. Priebke's lawyers had hoped that the Italian Government would release the now 88-year old German officer under the provisions of a 1966 amnesty for Italians who had supported the fascist regime during the war. The court rejected the appeal because the terms of the amnesty applied only to Italians and not to members of the German military.[57] (U)

Confronting Painful Pasts: Germany (U)

While the pursuit of Nazi war criminals in the United States became an issue of public interest in the 1980s and the subject of intense media and political attention, investigators in West Germany found themselves increasingly isolated. The unification of the two Germanies raised hopes that the Nazi war criminal investigations would be infused with new resources and information. While the East German Ministry of Interior's files proved to be a bonanza of information on Nazis, the German Government took few steps to mine this new information. The Stasi's Nazi files, reportedly if put together would stack some five miles high, provided leads to only 30 suspects. By 1995, the Federal Republic of Germany had failed to prosecute anyone for war crimes from information derived from the Stasi files.[58] (U)

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[57]Rome ANSA, "Italian Court Rejects Pardon for Nazi War Criminal," 25 April 2002. (U)
[58]Rick Atkinson, "Nazi Hunters are Still at War, Fighting a Losing Battle," *Washington Post*, 27 August 1995, pp. A1 and A22. (U)

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At the same time, the German Government reduced its efforts to hunt Nazis. The Central Office for the Investigation of Nazi Crimes in Ludwigsburg had dropped to 28 people from a peak strength of some 140 staff members, including attorneys, in the 1970s. Alfred Streim, the director of the Central Office, blamed the individual German states for being unwilling to support the Nazi war criminal investigations and prosecutions. In Streim's opinion, Germany had given a "backdoor amnesty" to war criminals who were now well advanced in age. One prosecutor on the Central Staff was appalled at Germany's negligence. "I believe no culprit should be allowed to climb into his grave without being unmasked." Ursula Solf added, "he should be at least told: You were the one, you were the pig who did this."[59] (U)

The publicity surrounding the Priebke case brought to light Nazis that had lived in Germany for decades. In 1995, Hans Schwerte, an authority on German literature and a highly acclaimed professor at the Aachen Technical University, was exposed as Hans-Ernst Schneider, a SS officer. Schneider joined the SS in 1938 and the Nazi party a year later. As a SS captain, Schneider served in the East, and it was believed that he may have played a role in obtaining medical equipment in the Netherlands that was later used to conduct horrible experiments at Dachau. At the end of the war, Schneider mysteriously disappeared and his widow remarried Hans Schwerte. Only in the 1990s did an American researcher reveal Schwerte's true identity. Although he admitted to having served in the SS, the German professor denied any role in the medical experiments. The

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[59]Ibid. See also Michael Shields, Reuters, "East German Files Cast Light on Nazi War Criminals," 1 May 1996. (U)

German Government subsequently stripped him of his high honors, and he died in 2000.[60] (U)

The Italians pursued another major case in the aftermath of the Priebke/Hass trials. Friedrich Engel, who as an SS officer in Italy became known as the "Butcher of Genoa," was convicted in absentia in 1999 by the Italian Government for the wartime murder of 246 Italian civilians. Two years later, German television reporters uncovered Engel in Hamburg where he had lived since the war. Piero Fassino, the Italian minister of justice, pressed for Engel's arrest despite the fact that German law prevented him from being extradited. Fassino continued to ask his German counterpart to charge Engel for his war crimes on Italian soil.[61] (U)

According to the Italian justice minister, the pursuit of Engel was "achieved thanks to the determination of the victims' relatives, who had never resigned themselves and have always pressed for the culprits to be punished."[62] In early 2002, the Hamburg prosecutor's office announced that Engel, now 93, had been arrested to face charges of

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[60]Alan Cowell, "German Scholar Unmasked as Former SS Officer," *New York Times*, 1 June 1995; Eric Pace, "Hans Schwerte, 90, Ex-SS Man Who Hid Identity," *New York Times*, 10 January 2000, p. A17. (U)

[61]FBIS translation, "Italian Justice Minister Calls on Germany to Arrest, Try World War II Criminal," Milan *Corriere Della Sera*," 15 April 2001, p. 6; FBIS translation, "Minister Says SS Man Found in Hamburg Must Not Go Unpunished," Rome RAI radio interview, 17 April 2001; FBIS translated report, "Justice Minister Fassino Appeals to German Opposite Number in Engel Case," Milan *Corriere Della Serra*, 20 April 2001, p. 15; Georg Bonisch, Carsten Holm, and Hans-Jurgen Schlamp, "Schrank der Schande," *Der Spiegel*, 23 April 2001, pp. 56-57. (U)

[62]FBIS translated report, "Italian Justice Minister Calls on Germany to Arrest, Try World War II Criminal," Milan *Corriere Della Sera*," 15 April 2001, p. 6. (U)

the murder of 59 prison inmates in retaliation for a partisan attack on German troops.[63] Engel was subsequently found guilty and sentenced to seven years imprisonment. He told the judge, "I have two wars behind me, and in my youth I learned that toughness is good for you. I have learned my whole life to react with toughness."[64] (U)

Confronting Painful Pasts: Canada, Great Britain, and the United States (U)

The pursuit of Nazi war criminals and collaborators in the West had been an on and off process since the 1980s. In Canada, two undercover reporters from the *Jerusalem Post* posed as researchers and interviewed suspected war criminals in 1996. The paper's articles led to a television special in Canada the following year discussing what Bernie M. Farber called Canada's "dirty little secret." According to the Simon Wiesenthal Center, Canada had become the home of as many as 3,000 war criminals, half of whom were still alive in the late 1990s. The Canadian Government had a poor record in terms of investigating and prosecuting these individuals, many of whom had Eastern European backgrounds. By 1997, the Canadians had only brought charges against one man for killing more than 8,000 Jews; the case dissolved when the suspect died just as deportation

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[63]Rome ANSA, "Germany to Prosecute Ex-Nazi Convicted In Italy," 12 February 2002; "Former SS Officer Faces Massacre Trial," Washington *Times*, 31 March 2002, p. A9. (U)

[64]Steven Erlanger, "Former Nazi Convicted of Ordering Executions," *New York Times*, 6 July 2002, p. A5. (U)

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hearings commenced in British Columbia. Only two other men had been deported from CanDCa for war crimes in 1982 and 1993.[65] (U)

In the early 1980s, the Canadian Government had launched a major effort to identify war criminals in the country. Delays in the legal procedures doomed that effort and not until the mid-1990s did Canada embark upon a reinvigorated strategy, including toll-free telephone numbers, to pinpoint war criminals.[66] Budget cuts in the Canadian office responsible for war crimes investigations also undermined that effort.[67] In 1997, the Canadian Government announced that it had employed Neal M. Sher, OSI's former director, to beef up Canada's War Crimes Unit.[68] Five years later, in May 2002, Canadian authorities arrested Michael Seifert, who had been convicted by an Italian court in 2000 for his participation at a German concentration camp near Bolzano, Italy. Justice officials, however, warned that extradition proceedings could be quite lengthy.[69] (U)

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[65]Anthony DePalma, "Canada Called Haven for Nazi Criminals," *New York Times*, 3 February 1997, p. A6. (U)

[66]Howard Schneider, "Canadians Asked to Dial 'N' for Nazi," *Washington Post*, 22 March 1997, p. A28. (U)

[67]Clyde H. Farnsworth, "Canada Plans Bid to Punish War Crimes," *New York Times*, 9 April 1995, p. 9. (U)

[68]Reuters, "Ottawa Says it Hired a Nazi-Hunter," *New York Times*, 12 December 1997. In September 2002, Denis Coderre, the Immigration Minister, asked for a review of Canada's policy of deporting elderly Nazi war criminals. A subsequent review stated, "despite the increasing difficulty of pursuing World War II cases, there is no strong rationale at this point in time for either eliminating or formally reducing the priority of the World War II component of the program." See Robert Fife, "Ottawa May End Effort to Expel Nazis; Policy Has Never Led to Actual Deportation; Jewish Groups Fear Creation of 'Sympathy,'" Toronto *National Post*, 20 September 2002, and Stewart Bell, "Don't Ease Up On Nazi War Criminals, Review Says," *Toronton National Post*, 11 October 2002. (U)

[69]Rome ANSA, "Canada Extraditing Nazi War Criminal to Italy," 8 May 2002. (U)

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Efforts to track down war criminals and collaborators in the United Kingdom have also met with mixed results. Until the passage of a controversial War Crimes Act in 1991, the British Government could not prosecute individuals who were not British subjects if they had committed crimes outside of Great Britain. Consequently, war criminals lived peacefully in the United Kingdom until the first case in 1995.[70] By that time, the Simon Wiesenthal Center had identified some 17 war criminals, but Scotland Yard claimed only 13 individuals.[71] In 1999, a British court convicted Anthony Sawoniuk, a 78-year old retired railroad ticket collector, of killing 18 Jews in a Polish town in 1942. Sawoniuk was the first, and perhaps only, Briton to be convicted of war crimes during World War II.[72] (U)

In the United States, the Nazi war criminal investigations took some unusual twists in the early 1990s. The past now came back to haunt the children of the DP generation that came to America in the 1940s and 1950s. Pres. Bill Clinton discovered this in the summer of 1993 when he nominated Army Gen. John Shalikashvili for the position of chairman of the Joint Chiefs of Staff. Shortly after Clinton hailed Shalikashvili's rise to the nation's highest military rank from his humble immigrant background, the Simon Wiesenthal Center announced that the general's father had actually been an officer in a Georgian Waffen SS unit. Captured by the British at the end

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[70]In 1995, British authorities charged a Belorussian living near London with wartime murder. Fred Barbash, "Britain Launches Its First Nazi War-Crime Case," *Washington Post*, 15 July 1995, p. A-24. (U)

[71]Fred Barbash, "Britain Launches its First Nazi War-Crimes Case," *Washington Post*, 15 July 1995, p. A24. (U)

[72]Sarah Lyall, "Nazi Crimes Bring Man 2 Life Terms in Briton," *New York Times*, 2 April 199, p. A5. (U)

of the war, the Shalikashvili family moved to the United States in the early 1950s.[73] The appointment, one columnist wrote, made it appear that "the Clinton administration or the Pentagon–or both–have combined the smug arrogance of the ignorant with an attempt to repackage a Nazi into a political refugee." Columnist Richard Cohen protested, "the apparently purposeful recasting of the elder Shalikashvili from a Nazi soldier to a war refugee just to make a better Rose Garden ceremony is an insult to the victims of Nazism and shows contempt for the American people."[74] (U)

The Demjanjuk Debacle (U)

No case has besmirched the prestige of the Office of Special Investigations more than its prosecution of John Demjanjuk. While OSI filed its largest number of suits in 1992, the Demjanjuk case cast a dark shadow over the entire Nazi war criminal investigations. Eleven years earlier, OSI stripped John Demjanjuk, a Ukrainian-born autoworker in Cleveland, of his citizenship for lying on his immigration application and his petition for naturalization. In one of its most important cases involving a Nazi war criminal, the Federal government claimed that Demjanjuk was the infamous "Ivan the Terrible" at the Treblinka concentration camp. In 1986, the United States extradited Demjanjuk to Israel to stand trial for these crimes. An Israeli court, indeed, determined

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[73]Thomas W. Lippman, "Pentagon Nominee's Father Served as Nazi SS Officer," *Washington Post*, 28 August 1993, pp. A1 and A14. (U)

[74]Richard Cohen, "Gen. Shalikashvili's Father," *Washington Post*, 31 August 1993, p. A19; Andrew Borowiec, "Elder Shalikashvili's Situation Not Unique," Washington *Times*, 31 August 1993, pp. A1 and A8. (U)

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that Demjanjuk had participated in war crimes and sentenced him to death. The Israeli Supreme Court, however, felt that there was reasonable doubt whether Demjanjuk was "Ivan the Terrible," although it agreed that he had served as a guard at another concentration camp. After much debate, Israel released Demjanjuk in September 1993 and returned him to the United States.[75] In 1998, Demjanjuk regained his American citizenship. (U)

Public pressure forced the United States Government to review the Demjanjuk case. In 1992, the 6th US Circuit Court of Appeals in Cincinnati launched an investigation into the handling of the case to determine whether there had been any misconduct on the part of OSI in its prosecution of the Ukrainian immigrant. The court questioned several former OSI attorneys, exposing differing opinions about the evidence used to convict Demjanjuk.[76] In June 1993, Judge Thomas A. Wiseman, Jr., declared that OSI's behavior had been "reckless" in not providing evidence that appeared to contradict the Government's case. But Judge Wiseman found the evidence did not disprove the case as the Office of Special Investigations had presented it. Thus, Wiseman held that OSI had not engaged in any prosecutorial misconduct. A second panel of judges from the same circuit court, however, then took up the case and reached a different conclusion. Chaired by Senior Judge Pierce Lively, the three-judge panel

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[75]Numerous articles and books have been written on the Demjanjuk case. For some contemporary accounts, see Edward Walsh, "Protests Greet Demjanjuk's Return After Seven Years," *Washington Post*, 23 September 1993, p. A3. (U)

[76]See Sharon LaFraniere, "Ex-Prosecutor: Demjanjuk was Not 'Ivan the Terrible,'" *Washington Post*, 13 November 1992, pp. A1 and A22; Ronald Smothers, "Lawyer Recalls No Doubt on Nazi Guard," *New York Times*, 15 January 1993, p. A11; and David Johnston, "Doubt Cast on Identification of Nazi Guard 'Ivan,'" *New York Times*, 1 July 1993, pp. A1 and A14. (U)

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declared that the Office of Special Investigators, in particular its former director, Allan A. Ryan, Jr., and Norman Moscowitz, had suppressed contravening evidence about Demjanjuk and bowed to pressure from Jewish interest groups anxious for a successful case.[77] (U)

The decision badly damaged the reputation of the Office of Special Investigations and prompted Attorney General Janet Reno to review the ethical standards of the Office's attorneys.[78] In February 1994, Neal M. Sher, director of OSI, announced his resignation to accept the executive directorship of the American Israel Public Affairs Committee.[79] After a lengthy interim period, Eli M. Rosenbaum, the WJC's lead investigator during the Waldheim affair and a former OSI attorney, assumed the helm at OSI in 1995. (U)

Despite the setbacks, OSI pressed with a new case against Demjanjuk. In May 1994, OSI asked the Supreme Court to throw out the appeals court ruling. In a brief signed by Solicitor General Drew S. Days III, the Justice Department sought to vindicate the OSI prosecutors and their efforts to strip Demjanjuk of his American citizenship. The Office of Special Investigations contended that its lawyers had acted in good faith to deport Demjanjuk. Their lapses in providing certain documents pertinent to the case did not constitute "egregious and deliberate misconduct, such as bribery of a judge or

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[77]Stephen Labaton, "Judges Assail US Handling of Demjanjuk," *New York Times*, 18 November 1993, pp. A1 and B20. (U)

[78]Michael Hedges, "Nazi-Hunting OSI Criticized Before, Reno Admits as Probe Continues," Washington *Times*, 7 February 1994, p. A8. (U)

[79]Stephen Labaton, "At the Bar: A Successful Prosecutor of War Criminals May Be Remembered for the Case that Fell Apart," *New York Times*, 27 August 1993, p. A21, and Michael Weisskopf, "Justice Official Named to HeDC Pro-Israel PAC," *Washington Post*, 11 February 1994, p. A23. (U)

fabrication of evidence" that is normally cited as fraudulent behavior before the courts.[80] (U)

In 1999, OSI reopened the case when it filed suit against Demjanjuk whom it alleged had served as a guard at several concentration camps.[81] The Demjanjuk trial opened in Cleveland in May 2001 as both the prosecution and the defense grappled over the use of decades-old documents in what the defense attorney called a "trial by archive."[82] In February 2002, Judge Paul R. Matia ruled that the Justice Department had proven that Demjanjuk had knowingly misrepresented his past when he arrived in the United States in 1952 with "clear, convincing, and unequivocal evidence." Demjanjuk, in Matia's opinion, had "not given the court any credible evidence of where he was during most of World War II."[83] (U)

The Search for Restitution (U)

The plight of Holocaust victims in the former Soviet Union and in Eastern Europe attracted the attention of Jewish groups in the West, who mounted a vigorous campaign

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[80]Joan Biskupic, "US Challenges Fraud Ruling in Demjanjuk Case," *Washington Post*, 25 May 1994, p. A15. (U)

[81]David Johnston, "Nazi Death Camp Case Reopened by US," *New York Times*, 20 May 1999, p. A20. (U)

[82]Jerry Seper, "Justice Targets Man, 81, Again," Washington *Times*, 29 May 2001, p. A6; Associated Press, "Government Tries Demjanjuk Again," Washington *Times*, 30 May 2001, p. A7; Francis X. Clines, "US Again Prosecutes Man Cleared of Being Reviled Nazi," *New York Times*, 30 May 2001, p. A15; and Associated Press, "Witness Deems Documents about Demjanjuk Authentic," Washington *Times*, 31 May 2001, p. A7. (U)

[83]David Johnston, "Demjanjuk Loses Citizenship Again; Judge Cites Lies," *New York Times*, 22 February 2002, p. A16. (U)

to aid these forgotten victims. Since the 1950s, West Germany had paid compensation to Jewish victims of the Holocaust, but survivors behind the Iron Curtain had received none of this money. By the 1990s, most of these men and women were now old and helpless. "The war has almost been consigned to ancient history," said Rabbi Andrew Baker, the director of European affairs for the American Jewish Committee. "So it's somewhat of a shock that you have not only living witnesses but people who have suffered and have yet to receive any kind of compensation."[84] (U)

In early 1996, Sen. Alfonse M. D'Amato of New York took up the issue of Jewish accounts in Switzerland. On 23 February, D'Amato wrote DCI John M. Deutch requesting the CIA's help to "achieve an authoritative, accurate and final accounting of all assets that numerous Swiss banks continue to hold from this time period and to which the survivors and rightful heirs are entitled." D'Amato also sought the Agency's help in locating the "reportedly great amounts of Nazi loot, including gold, art, and other treasures, that might have made their way to Switzerland, and perhaps into Swiss banks."[85] (U)

The allegations of Swiss complicity in hiding confiscated Jewish assets captured the world's imagination. In less than two years, as the *New York Times* wrote in 1997, Europe was "awash in information that nations which considered themselves neutral or even victims of the Nazis actually profited from the Holocaust. They trafficked in gold,

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[84]Rick Atkinson, "Slow to Redress," *Washington Post*, 26 May 1995, pp. A29 and A33. (U)
[85]D'Amato to Deutch, 23 February 1996, ER 96-1509, in CIA History Staff files. (U)

strategic minerals, art and real estate. Newly opened archives reveal that others knew of the slaughter of Jews and stayed silent."[86] (U)

A World Jewish Congress report in 1998, for example, estimated that Nazi Germany had seized between $9 and 14 billion from the 20 different countries or regions that it had occupied between 1933 and 1945.[87] In 1996, Pres. Clinton ordered the Federal government to search its unclassified and classified holdings for information on the role of neutral countries during the war years. The two-year investigation, headed by Under Secretary of Commerce (later Under Secretary of State) Stuart E. Eizenstat, brought together 11 different Federal departments and agencies that reviewed some 15 million documents.[88] (U)

Eizenstat's investigations resulted in two reports, *US and Allied Efforts to recover and Restore Gold and Other Assets Stolen or Hidden by Germany during World War II, Preliminary Study,* and *US and Allied Wartime and Postwar Relations and Negotiations with Argentina, Portugal, Spain, Sweden, and Turkey on Looted Gold and German External Assets and US Concerns about the Fate of the Wartime Ustasha Treasury*, published by the State Department in May 1997 and June 1998, respectively. The reports marked the pinnacle of official American efforts to understand what happened during the war and afterward. Both studies discussed Project SAFEHAVEN, a wartime interagency

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[86]Tina Rosenberg, "Nazi Entanglements: Judging the Acts of Another Era," *New York Times*, 3 March 1997, p. A24. (U)

[87]US Congress, House. Committee on International Relations. *Heirless Property Issues of the Holocaust* (Washington, DC: Government Printing Office, 1998), pp. 71-101. (U)

[88]See Stuart E. Eizenstat, *Imperfect Justice: Looted Assets, Slave Labor, and the Unfinished Business of World War II* (New York: Public Affairs, 2003). (U)

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US project to identify Nazi Germany's sources of wealth and to neutralize its commercial and industrial strength. The Office of Strategic Services played a leading role in obtaining intelligence on Germany's activities and providing assessments. Decades later, the CIA's History Staff located primary sources in both OSS and CIA files and provided historical analysis for both Eizenstat reports.[89] (U)

In April 2000, Under Secretary Eizenstat briefed the Senate's Committee on Foreign Relations on American efforts to right the wrongs of the 1940s. His testimony demonstrated the wide-ranging steps that the Federal government undertook during the Clinton administration, resulting in a $1.25 billion Swiss bank settlement; a $5.1 billion German agreement to assist those men and women forced to work for German companies during the war; the restitution of stolen and looted art; the creation of the International Commission for Holocaust Era Insurance Claims; the declassification of US records on World War II; the return of religious and communal effects in Eastern Europe; the sponsorship of international efforts to spur Holocaust education; and the negotiations with Austria on slave labor. Eizenstat told the senators why the US Government had taken these unprecedented steps. "Our policy on Holocaust issues," he noted, "serves important US foreign policy interests, as well as helping individual American

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[89]See William Z. Slany, US Department of State, *US and Allied Efforts to Recover and Restore Gold and Other Assets Stolen or Hidden by Germany during World War II, Preliminary Study* (Washington, DC: Office of the Historian, 1997) and William Z. Slany, US Department of State, *US and Allied Wartime and Postwar Relations and Negotiations with Argentina, Portugal, Spain, Sweden, and Turkey on Looted Gold and German External Assets and US Concerns about the Fate of the Wartime Ustasha Treasury* (Washington, DC: Office of the Historian, 1998). See also Donald P. Steury, "Tracking Nazi 'Gold:' The OSS and Project SAFEHAVEN," *Studies in Intelligence* (Summer 2000, No. 9, Unclassified ed.). (U)

citizens . . . . and helps in the removal of impediments to greater cooperation in Europe."[90] (U)

CIA's Ongoing Participation in the Investigations (U)

The Central Intelligence Agency supported the Nazi war criminal investigations in the 1990s, mostly through routine name traces in the files of the Directorate of Operations and the Office of Security. The Office of General Counsel served as the conduit between the Agency and OSI, coordinating OSI reviews of CIA documents. The relationship between the two agencies proceeded smoothly with only minor disruptions. (U)

For the most part, OGC staff paralegals initiated name traces after receiving OSI requests. When the Agency's components located documents pertaining to an individual, OGC then provided OSI with a summary of the Agency's information. If OSI wanted to look at the records, the Department of Justice attorneys would then visit the Agency's Headquarters to examine a sanitized file of the documents pertaining to the individual's wartime activities. If the case actually proceeded to the litigation stage, OSI would then again meet with the Office of General Counsel to review the Agency's entire holdings.

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[90]US Congress, Senate. Committee on Foreign Relations. *The Legacies of the Holocaust* (Washington, DC: Government Printing Office, 2000), pp. 13-49. The US Government's efforts had great impact. For example, the Vatican declared in February 2002 that it would open its secret archives related to Pope Pius XII as well as documents pertaining to the Church's relationship with Nazi Germany. See Daniel Williams, "Vatican to Open Nazi-Era Archives," *Washington Post*, 16 February 2002, p. B9, and Melinda Henneberger, "Vatican to Hold Off Releasing Pope Pius XII War Documents," *New York Times*, 16 February 2002, p. A8. (U)

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This meeting was held to ensure that neither OSI nor CIA encountered any later difficulties or surprises. Representatives from the two agencies occasionally met to discuss the name trace procedures and improvements for overall operations. These meetings, held in 1989 and 1993, clarified general issues and introduced new personnel.[91] (U)

Between 1980 and 1995, the Central Intelligence Agency had conducted over 1000 name traces for the Office of Special Investigations [redacted]

[redacted] The Agency did the bulk of these name traces during the first five years of OSI's existence and it slowed after the first rush. During the 1990s, CIA handled an average of 30 name traces for OSI annually. The Agency's records systems provided a bonanza of information about numerous individuals of interest to OSI because they contained documents from the State Department, Immigration and Naturalization Service, the Displaced Persons Commission, the FBI, the Army, and the Air Force, in addition to CIA's own components. The DO's records systems, in particular, have been of value to the OSI investigations, although the system was not designed as a research or investigative tool. The Agency also retained control of an extensive collection of records from the Office of Strategic Services, the Strategic Services Unit, and the Central Intelligence Group that occasionally assisted OSI investigators. (U)

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[91] [redacted] telephonic interview by Kevin C. Ruffner, Arlington, VA, 18 October 1996. See also [redacted], Jr., Assistant General Counsel to John K. Russell, OSI, "Name Trace Requests," 23 June 1993, OGC 93-52098, enclosing draft 15 June 1993, "Letter of Understanding–OSI Name Trace Requests," in OGC Nazi War Criminal Working Files. These letters were never sent to OSI because the points of interest were discussed in a meeting between CIA and OSI at CIA Headquarters in August 1993. (S)

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The Office of Special Investigations turned to CIA as one of its first avenues for research to determine if allegations of war crimes had any merit. While the Agency's records do not normally provide conclusive evidence that an individual participated in a war crime, the records can offer extensive information about an individual's background or whereabouts. For a successful prosecution, OSI has to demonstrate that an individual provided false information to the US Government about his wartime activities when immigrating to this country or obtaining citizenship. The Agency's records, because they are readily retrievable and incorporate documents from a variety of sources, often contain valuable clues. In fact, OSI often preferred to examine the CIA's records as opposed to using files from the Immigration and Naturalization Service because the Agency's records were better organized and preserved. Lastly, the Agency's files indicate whether the CIA or another Federal agency, including the Army or the FBI, had an operational interest in a particular individual. Over the years, information of this nature had a bearing on a number of cases. (U)

While most of the name traces done by CIA over the years have located "no record," the CIA has occasionally found its old agents now sought by the Office of Special Investigations. The Agency has always informed OSI when it possessed records on individuals who had worked for CIA, and the two agencies coordinated the presentation of this information in court. For the most part, the Agency prefers not to go to court with OSI unless absolutely necessary and then only to protect Agency "sources and methods." The Agency, to date, has never taken a stand in defense of a former agent

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seeking to avoid prosecution for misleDCing Federal officials regarding wartime activities. (U)

Ring Around the Records (U)

Kurt Waldheim remained a *persona non grata* in the United States as the 20th century came to a close. In the afterglow following the collapse of communism, little did the Central Intelligence Agency realize that it would soon confront a highly publicized and a politically well-connected drive to open the Agency's historical files related to Nazi war criminals. As events proved, Kurt Waldheim was the key that unlocked the classified cabinets at Langley. (U)

The first volley of this new campaign appeared in the form of a letter from Elizabeth Holtzman, comptroller of the City of New York, a former Congresswoman, and a candidate for the US Senate, to DCI Robert Gates in March 1992. Holtzman, who had also written to Pres. George Bush, requested that the CIA release its files on Nazi war criminals. Citing specifically Klaus Barbie, Otto von Bolschwing, Mykola Lebed, and Arthur Rudolph, Holtzman complained that the United States Government had protected Nazi war criminals and, in some cases, arranged their immigration to the United States. "In the process of employing these people and bringing them to safe haven in the United States and elsewhere," Holtzman added, "laws were broken, lies were told, and the President, Congress, other government agencies and the public were deceived. But we

still don't know the whole story," she exclaimed. "Forty seven years after the end of World War II, it is time for the American people to find out the truth."[92] (U)

Holtzman's letter landed on the desk of J. Kenneth McDonald, the Agency's chief historian, who prepared the response for Adm. William O. Studeman, the Acting DCI, in the summer of 1992. After discussing Holtzman's request with the Office of General Counsel and the Information, Privacy and Classification Review Division to see what records the Agency had on these individuals, McDonald reported that the CIA had previously released material on Barbie and that the Agency's overall collection of Nazi material was "dispersed but not large." McDonald commented, "the time has come for us to attempt to unburden ourselves of all records we hold related to Nazis and war criminals."[93] (U)

On 10 August 1992, DDCI William Studeman told Holtzman that he had directed the CIA's Center for the Study of Intelligence to search for and review records relating to Nazi war criminals. The DDCI also informed her that no records had been found in CIA's Freedom of Information Act (FOIA) files that mentioned either Lebed or Rudolph, although it had released documents through FOIA on Barbie and Bolschwing. The letter unfortunately gave Holtzman the impression that the Agency had no records at all on Mykola Lebed.[94] (U)

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[92]Elizabeth Holtzman to DCI George Bush, 26 March 1992, copy of the letter in CIA History Staff files. (U)

[93]J. Kenneth McDonald to DCI, 20 July 1992, in CIA History Staff files. (U)

[94]W.O. Studeman to Holtzman, 10 August 1992, ER 92-1861/2, in CIA History Staff files. (U)

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Studeman's letter quickly mDCe its way to the *New York Times*. "In a change of policy that could provide new information about American recruitment of Nazi war criminals after World War II, the Central Intelligence Agency says it has begun to systematically search its records with the aim of opening long-secret files to historians' scrutiny," the paper reported.[95] (U)

This optimistic announcement soon became mired in controversy. Holtzman immediately retorted that Lebed had a lengthy relationship with the CIA. "It therefore seems highly unlikely that the agency would have no records on Mr. Lebed," the former congresswoman noted.[96] (U)

John Loftus, the former OSI attorney who had embarked upon an independent career as a Nazi hunter, soon contacted the Agency with his own theories about Lebed and DCvice on how to find the "missing" files.[97] In his press release, Loftus announced, "I suspect that, in a few weeks, a red-faced Admiral Studeman will tell Liz Holtzman that the CIA has found several filing cabinets full of Lebed's files. Of course," Loftus went on to say, "if Lebed's files do not turn up, then the CIA would have a major scandal. It would mean that someone put a large portion of their intelligence files into a CIA shedder without proper authorization. If Admiral Studeman is right and the old Nazi records are

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[95]Ralph Blumenthal, "CIA is Planning to Unlock Many Long-Secret Nazi Files," *New York Times*, 10 September 1992, p. B8. (U)

[96]Holtzman to Studeman, 27 August 1992, ER 92-1861/3, in CIA History Staff files. (U)

[97] [redacted], Executive Assistant, DDCI, Memorandum for the Record, "Telephone Call from John Loftus re Mykola Lebed," 11 September 1992, (S), in CIA History Staff files. (S)

gone, then it is a major historical loss, as well as a flagrant violation of the CIA's statutory obligation to the National Archives."[98] (U)

The Agency continued to feel the heat from this incident as a result of Adm. Studeman's August 1992 letter. Both Holtzman's and Loftus's correspondence received further publicity in the *New York Times,* while reporters sought out interviews with Lebed in his Yonkers, New York residence.[99] The aging Ukrainian resistance leader expressed surprise at the Agency's actions, and refused to talk with the media. "I am tired of all this," he declared. "I can't understand why they do this. I was looking for understanding, for help, and the answer is so vulgar. I can't understand this."[100] (U)

After Holtzman's electoral defeat in the fall of 1992, the Agency quietly let the subject drop altogether.[101] But the issue of the Agency's records management procedures did not disappear. The National Archives and Records Administration (NARA) was also drawn into the controversy over Lebed's files because of its legal

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[98]Loftus, press release, 15 September 1992, in CIA History Staff files. (U)

[99]Ralph Blumenthal, "Nazi Hunter Says CIA Has Files on Man Accused of War Crimes," *New York Times*, 17 September 1992, p. B10. (U)

[100]Laurel Babcock, "Yonkers Man, 82, Denies War Crimes," Yonkers *Herald Statesman*, 18 September 1992. By this time, Lebed had been the subject of extensive speculation in the press following the 1985 GAO Report, which noted his case anonymously as "Subject D." In early 1986, both the *Village Voice* and the *New York Times* ran lengthy pieces about Lebed while the Office of Special Investigations questioned him extensively. As late as 1991, OSI continued its investigation about Lebed although it has never filed any charges. The Central Intelligence Agency monitored these activities closely as seen by numerous memos in Lebed's 201 file. (S)

[101]For various correspondence on how to answer Holtzman, see McDonald to DDCI, "Reply to Elizabeth Holtzman's Letters concerning Nazi War Criminal Records," 15 December 1992, CSI 92-0223, (S), enclosing draft letter for DDCI to Holtzman; [redacted], Assistant General Counsel to McDonald, "Letter to Elizabeth Holtzman on Nazi Records," 23 February 1993, OGC 93-50500; and McDonald to DDCI, "Reply to Elizabeth Holtzman's Letters concerning Nazi War Criminal Records," 23 July 1993, CSI 0227/93, (S), enclosing draft letter for DDCI to Holtzman. All correspondence located in CIA History Staff files. (S)

mandate to protect historically important Federal records. Trudy H. Peterson, the Acting Archivisit of the United States, wrote R. James Woolsey, the new DCI, in the summer of 1993. She demanded to know if the Agency still possessed "highly significant Federal reports." In response to her office's first inquiry after the *New York Times* broke the story about the missing Lebed file, the Agency had told the National Archives that "it would be inappropriate for the CIA to discuss particular records or files based upon accusations reported in news articles."[102] Over the course of the next couple of months, the CIA tried to reassure the Archivist that no records marked for permanent retention had been destroyed.[103] (S)

The Agency Is the Obstacle (U)

In May 1994, *New York Times* editorialist A.M. Rosenthal again took up his pen as he mused about "the Waldheim file." Rosenthal continued to ask about Waldheim and how he had escaped his past for so many years. Rosenthal again drew upon Prof. Herzstein's research to highlight the gaps in the public's knowledge of the Austrian politician, (Waldheim had by this time completed his term as president and retired from

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[102]For background material, see James J. Hastings, Director of Records Appraisal and Disposition Division, NARA to [redacted], CIA Information Management Officer, 19 October 1992; [redacted] to Hastings, 14 April 1993; and Trudy H. Peterson, Acting Archivist, NARA to R. James Woolsey, DCI, 7 June 1993, ER 93-3464, all in CIA History Staff files. (U)

[103]See Frank J. Ruocco, Deputy Director for administration, to DCI, "Letter from NARA Regarding Alleged Destruction of Files on Nazi War Crimes," 23 July 1993, OIT 0502-93, OGC 93-05046, (S), enclosing Woolsey to Peterson, 7 August 1993, ER 93-3464/1, (S), in CIA History Staff files. (S)

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all official duties.)[104] Herzstein maintained that Waldheim "was protected by the US Government, provided information in return for that protection, and profited from the Government's willingness to obliterate his wartime service."[105] (U)

Frustrated with the Agency's refusal to declassify its holdings on Waldheim, Rosenthal urged the US Congress to pass legislation "preventing Government agencies from denying information about World War II war crimes."[106] Congresswoman Carolyn B. Maloney quickly took up Rosenthal's and Herzstein's platform in a 12 July 1994 letter to her colleagues on Capitol Hill to push for a "War Crimes Disclosure Act." Forwarding a copy of Rosenthal's editorial, Maloney expressed shock that "the CIA withheld critical information about Kurt Waldheim's Nazi past from the public." She sought a cosponsor to close the loopholes in the Freedom of Information Act that allowed the Agency to withhold information about war criminals.[107] (U)

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[104]After his 1988 book, Herzstein continued to research Waldheim's service in World War II and to speculate on his postwar activities. See Robert E. Herzstein, "The Life of Dr. Kurt Waldheim, 1938-1948: Sources in the National Archives," in George O. Kent, ed., *Historians and Archivists: Essays in Modern German History and Archival Policy* (Fairfax: George Mason University, 1991), pp. 287-297, and Herzstein, "The Present State of the Waldheim Affair: Second Thoughts and New Direction," in Bischof and Pelinka, eds., *Austrian Historical Memory and National Identity*, pp. 116-134. (U)

[105]A.M. Rosenthal, "The Waldheim File," *New York Times*, 24 May 1994, p. A19. (U)

[106]Ibid. Rosenthal's editorial evoked an immediate reaction in the CIA and a search for information pertaining to the Austrian. See [redacted], Office of the Director, Executive Secretariat, to SA/DDO, "Commentary on Newspaper," 25 May 1994, (S), and [redacted], Chief, External Inquiries Branch, IMS, to [redacted] Office of the Director, Executive Secretariat, "Your Request dated 25 May 1994," 26 May 1994, DOR-03886, (S), both in Waldheim, File 201-0896881, DO Records. (S)

[107]Carolyn B. Maloney, letter to colleagues, 12 July 1994, copy of the letter in CIA History Staff files. (U)

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Maloney introduced her bill on 12 August 1994, and it was referred to three committees in the House of Representatives, but she lacked a companion bill in the Senate. The bill, cosponsored by six other congressmen, would amend the Freedom of Information Act and eliminate the Agency's ability to claim any FOIA exemptions for Nazi war criminal information. The bill called for a minimum of exceptions to full disclosure of the identities of war criminals in the United States.[108] (U)

Within a week, A.M. Rosenthal informed the readers of the *New York Times* that Rep. Maloney had introduced a bill, drawing upon Rosenthal's coverage of Herzstein's research on Waldheim. "It is an overdue piece of legislation," Rosenthal wrote, "important to justice and history. The key to the Waldheim file is right there on the table, waiting for Congress to pick it up and use it."[109] (U)

The Congressional legislation quickly ran into a wall of opposition from the CIA. [redacted], a member of the Agency's Office of Congressional Affairs, warned that the War Crimes Disclosure Act would strip the Agency of its ability to protect information under the National Security Act of 1947, and there would be no protection for the identities of CIA officers.[110] Although Maloney's bill failed to move in the House in the

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[108]For further details on the impact of the act and its wording, see [redacted], Office of Congressional Affairs, to Director of Information Management, Information and Privacy Coordinator, Director of the Center for the Study of Intelligence, and Litigation Division, Office of General Counsel, "War Crimes Disclosure Act (H.R. 4955)," 23 August 1994, OCA 94-2161, (no classification listed), copy in CIA History Staff files. (U)

[109]A.M. Rosenthal, "The Waldheim Bill," *New York Times*, 19 August 1994, p. A27. (U)

[110][redacted]Office of Congressional Affairs, to Director of Information Management, Information and Privacy Coordinator, Director of the Center for the Study of Intelligence, and Litigation Division, Office of General Counsel, "War Crimes Disclosure Act (H.R. 4955)," 23 August 1994, OCA 94-2161, [no classification listed], copy in CIA History Staff files. (U)

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waning hours of the 103rd Congress, she reintroduced it when the new Congress convened in March 1995, this time with 17 cosponsors, and it began to make its way through hearings. In the summer of 1996, A.M. Rosenthal took up the charge and proclaimed, "for a full half-century, with determination and skill, and with the help of the law, US intelligence agencies have kept secret the record of how they used Nazis for so many years, what the agencies got from these services–and what they gave as payback."[111] (U)

Once again, Rosenthal advocated that Congress demand the release of the Federal government's holdings on Waldheim, whom he now described as a possible "big power groupie" who worked for all sides during the Cold War. Adding to Maloney's efforts in the House, Daniel P. Moynihan, the powerful New York senator, also took up the drive in the US Senate. In late September 1996, the House voted to approve the Maloney bill, although *ParDCe Magazine*, a widely distributed national insert to most Sunday newspapers, commented in December of that year that "there are thousands of Nazis still being pursued for war crimes they committed more than 50 years ago. The CIA," *ParDCe Magazine* claimed, "is one of the obstacles to finding those alive today. The agency," according to the article, "intervened in October to weaken the War Crimes Disclosure Act, which would have opened US intelligence files on Nazi war criminals to

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[111] A.M. Rosenthal, "Ms. Maloney and Mr. Waldheim," *New York Times*, 25 June 1996, p. A21. (U)

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those engaged in hunting them. Why? National embarrassment. The US helped some Nazis after the war if they were useful in fighting the Communists."[112] (U)

Nazi War Crimes Disclosure Act (U)

Congresswoman Maloney's efforts culminated in success when President Bill Clinton signed the Nazi War Crimes Disclosure Act, Public Law 105-246, on 8 October 1998.[113] Earlier that summer, the House ratified the Senate bill calling for the disclosure of records related to Nazi war crimes and criminals. In addition, the Senate language, adopted into law, called for an interagency working group, or IWG, to facilitate the review and release of government records. The new law required all Federal agencies to

> locate bodies of records that can reasonably be believed to contain information that: (1) pertains to any individuals who the US Government has grounds to believe ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin, or political opinion, during the period of Nazi rule in Germany (1933-45); or (2) involves assets taken, whether or not under the color of law, during that period from persons persecuted by the nazi regime or governments associated with it. (U)

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112 "House Votes to Release Data on Nazis," Washington *Times*, 25 September 1996, and "CIA is Obstacle in Hunt for Nazis," *Parade Magazine*, 22 December 1996, p. 7. (U)

113 Public Law 105-246, "An Act to Amend Section 522 of Title 5, United States Code, and the National Security Act of 1947 to Require Disclosure under the Freedom of Information Act regarding Certain Persons, Disclose Nazi War Criminal Records without Impairing Any Investigation or Prosecution Conducted by the Department of Justice or Certain Intelligence Matters, and for Other Purposes." Samuel R. Berger, Assistant to the President for National Security Affairs, to Secretary of State et al, "Implementation of the Nazi War Crimes Disclosure Act," 22 February 1999. Copies of both documents are located in CIA History Staff files. In 2000, Congress amended the Nazi War Crimes Disclosure Act and its implementing directive to DCd records pertaining to the Imperial Japanese Government between 1931 and 1945. (U)

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The Implementation Directive issued by the White House furthermore stated that "agencies should take an expansive view of the act in making this survey and in the subsequent identification of records and declassification review. Special efforts should be mDCe to locate records that may shed light on US government knowledge about, policies toward, and treatment of Nazi war criminals, especially during the Cold War years."[114] For the first time in the Agency's history, Congress mandated that the CIA had to review all of its classified holdings on Nazi war crimes and criminals for declassification. (U)

In January 1999, President Clinton appointed the three nongovernmental members of the IWG; Thomas H. Baer, a lawyer and motion picture and television producer; Richard Ben-Veniste, a former assistant US attorney and Watergate prosecutor; and most importantly, Elizabeth Holtzman, who had struggled for 25 years to get the Federal government to open its records on Nazi war criminals.[115] (U)

Past is Prologue (U)

While the Agency has provided extensive assistance to the Office of Special Investigations, the General Accounting Office, and various Congressional offices in their

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[114]Office of Information Management, Employee Bulletin, "Implementation of the Nazi War Crimes Disclosure Act," 31 March 1999, EB No. 0002-99, in DCI/HS files. (S)

[115]The White House, Office of the Press Secretary, "President Clinton Names Thomas Baer, Elizabeth Holtzman, and Richard Ben-Veniste as Members of the Nazi War Crimes Records Interagency Working Group," 11 January 1999. Copy located in CIA History Staff file. (U)

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inquiries about Nazi war criminals and collaborators, many feared that the CIA still protected some deep, dark secrets. The Agency had itself to blame for the persistence of these suspicious. With its responses in the Waldheim investigation and its gaffes with Elizabeth Holtzman, the CIA created even more problems. (U)

The pattern of using German intelligence figures and their collaborators had been well established by the time of the CIA's formation in 1947. In fact, the Office of Strategic Services had embarked on this course even during the war. For a variety of reasons, other American intelligence agencies, including the Strategic Services Unit and the Central Intelligence Group, continued to exploit these individuals for information as the Cold War spread over Europe. Headquarters personnel in Washington had a less than favorable impression of using these sources than had their counterparts in the field, who felt pressed to obtain current intelligence. While the CIA's sponsorship of the Gehlen Organization, the nascent German intelligence service, is one of its most controversial actions, the Agency and its predecessors actually took a dim view of Gehlen's effectiveness. Until forced to take on this service from the US Army, the CIA had expressed its distaste for Gehlen's organization and had advocated a radical trimming, if not a complete disbandment of the outfit. CIA's initial reluctance to use the West Germans and the various emigre groups would later prove to have been justified. (U)

The Army's Counter Intelligence Corps, the larger and more powerful American intelligence service in Europe immediately after the war, demonstrated an amateurish approach to intelligence recruitment and operational employment. Two of the most serious Nazi war criminal investigations of the 1980s, the Barbie and the Verbelen cases,

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highlighted the CIC's poor evaluation of its agents and how the Army facilitated their escape from justice. The Central Intelligence Agency, once it achieved a measure of status in Europe, attempted to undo the damage caused by the CIC in the early 1950s, but the Army had already wreaked considerable havoc by that point. (U)

As the Cold War heated up, both the Office of Special Operations and later the Office of Policy Coordination embarked on missions behind the Iron Curtain. OSO's ill-fated missions to drop agents into the Ukraine and Eastern Europe linked the CIA to suspect Eastern Europe groups and individuals tainted by collaboration with the Germans. Until late 1948, the CIA had avoided these groups because of questions about their reliability. The need for intelligence and growing tensions between the East and West, however, overrode caution on the part of the Americans. The establishment of the Office of Policy Coordination in 1948 spurred CIA's movement into covert operations. At the same time, OPC tried to exploit internal fissures within the Soviet Union. This effort also involved growing reliance on anticommunists from Central, Southern, and Eastern Europe–the same regions of the world marked by widespread support of the Nazis. While OPC had a short life as a bureaucratic entity, it deeply influenced the CIA's development and established the Agency's future psychological and paramilitary operations. (U)

By the early 1950s, World War II seemed a long way from the problems faced by the United States in its struggle against world communism. Americans, never known for long memories or a sense of history, concentrated on the new problems at hand. This national amnesia allowed the CIA to not only employ individuals who had supported the

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nation's enemies only a few years earlier but also to allow them to immigrate to the United States. (U)

After the experience of the 1960s and 1970s, a new generation questioned the honesty of the United States Government and forced a serious examination of the presence of Nazi war criminals and collaborators in America. The Agency, reeling from other scandals, soon faced demands from Congress and the media for information about Nazi war criminals. The Agency did not welcome these calls with open arms and released its information only with hesitation. After a series of mishaps within the Immigration and Naturalization Service and concerns that the CIA had sponsored the immigration of Nazis to the United States, Congress passed new legislation to strengthen the laws to prosecute Nazi war criminals and collaborators in 1979. The Agency and the new Office of Special Investigations experienced some rocky cases in the beginning, but by the early 1980s, the two organizations had established a steady working relationship– one that survives to this day. The Agency remains one of the best sources of information for OSI in what is now the longest-running investigation in the Agency's history. There are no signs that public interest in the topic of Nazi war criminals has abated; if anything, it has become a growth industry for archivists, historians, and journalists. (U)

The Agency cannot escape from its past because the public is enthralled by tales of escaped Nazis. The CIA's own mystique lends itself to the image that it directed super secret operations that allowed these individuals to escape from justice. The media and self-proclaimed "Nazi hunters" quickly link the Agency with the latest rumors of one Nazi fugitive or another. The Nazi war criminal issue is likely to outlive its participants,

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the accused war criminals and collaborators as well as their American case officers. The wartime generation is rapidly disappearing, but the controversies live on and take on new dimensions. While the bulk of the Agency's early records have now been declassified and transferred to the National Archives, thorough histories of these agencies and their operations have yet to be written. Likewise, the declassification of CIA's own records under the Nazi War Crimes Disclosure Act offers the best insight as to the extent of the Agency's role and operations during the Cold War. (U)

The Central Intelligence Agency inherited a thorny problem in 1947. This birthmark is an unfortunate blemish that cannot be erased. The only solution for the Agency is to bring these Nazi cases to light and to share as much information with the public as possible. It is a half-answer, but it is the CIA's only available option that best serves the interests of the American people. (U)